

Questar Southern Trails Pipeline Company: Original Volume No. 1  
Title Page : Effective

FERC GAS TARIFF  
ORIGINAL VOLUME NO. 1  
of

QUESTAR SOUTHERN TRAILS PIPELINE COMPANY

filed with the

FEDERAL ENERGY REGULATORY COMMISSION

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**Seventh Revised Sheet No. 1** Seventh Revised Sheet No. 1

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PRELIMINARY STATEMENT

Questar Southern Trails Pipeline Company (Southern Trails) is a natural-gas company engaged in the business of transporting natural gas in the States of Utah, New Mexico, Arizona and California.

This Federal Energy Regulatory Commission (FERC) Gas Tariff, Original Volume No. 1, includes firm transportation Rate Schedule FT, interruptible transportation Rate Schedule IT, General Terms and Conditions applicable to transportation service provided by Southern Trails pursuant to 18 C.F.R. Part 284, Subparts B and G, and forms of service agreements and amendments to service agreements provided under Rate Schedules FT and IT.

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**First Revised Sheet No. 3** First Revised Sheet No. 3  
Superseding: Original Sheet No. 3

MAP

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**Twelfth Revised Sheet No. 4** Twelfth Revised Sheet No. 4  
 Superseding: Eleventh Revised Sheet No. 4

STATEMENT OF RATES

Rate Schedule/ Type of Charge	Base Tariff Rate \$/Dth	ACA Surcharge 2/ \$/Dth	Currently Effective Rates \$/Dth
Rate Schedule FT			
Reservation Charge			
Maximum 3/	11.22231	-	11.22231
Minimum	0.00000	-	0.00000
Credit 4/	2.28875	-	2.28875
Usage Charge			
Maximum	0.01041	0.00190	0.01231
Minimum	0.01041	0.00190	0.01231
Authorized Overrun Charge			
Maximum	0.37937	0.00190	0.38127
Minimum	0.01041	0.00190	0.01231
Unauthorized Overrun Charge	10.00000	-	10.00000
Rate Schedule IT			
Usage Charge			
Maximum	0.37937	0.00190	0.38127
Minimum	0.01041	0.00190	0.01231
Unauthorized Overrun Charge	10.0000	-	10.00000
Fuel Reimbursement: Pursuant to \$ 30 of the General Terms and Conditions of this tariff.			
Optional Volumetric Releases 1/			
Firm transportation - FT			
Maximum 3/	0.36895	-	0.36895
Minimum	0.00000	-	0.00000
Pipeline Usage Charges Applicable to Volumetric Releases			
Maximum	0.01041	0.00190	0.01231
Minimum	0.01041	0.00190	0.01231
Other Charges			
Marketing Fee: As negotiated between Southern Trails and Shipper when Southern Trails actively markets Shipper's released capacity.			

[NOTE: Footnotes are on Sheet No. 5]

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**Fifth Revised Sheet No. 5** Fifth Revised Sheet No. 5  
Superseding: Fourth Revised Sheet No. 5

FOOTNOTES

1/ Released capacity may be sold at a volumetric rate. Shippers releasing capacity on a volumetric basis may not specify a rate above the maximum rate stated on this Statement of Rates, except for short-term capacity releases for a term of one year or less that are not subject to the maximum rate, and must notify Southern Trails of the criteria by which bids are to be evaluated.

2/ Annual Charge Adjustment (ACA) as specified by the Commission and subject to § 26 of the General Terms and Conditions of this tariff.

3/ Short-term capacity releases for a term of one year or less are not subject to the maximum rate.

4/ See § 3.1(a)(v) on Sheet No. 12 of Rate Schedule FT.

NOTE: The monthly rates stated on Southern Trails' Statement of Rates may be converted to a daily rate by multiplying the monthly base tariff rate times the number of months in the rate period and dividing the result by the number of days in the rate period. The result is rounded to the fifth decimal place.

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**Fifth Revised Sheet No. 6** Fifth Revised Sheet No. 6  
 Superseding: Fourth Revised Sheet No. 6

Shipper/Rate Schedule/Contract		STATEMENT OF NEGOTIATED RATES (Rates per Dth/d)			Reservation	Usage
Primary	Primary	Term of Contract	Dth/d	Charges	Charges 1/	
Identification	Identification					
Rec.Pts. 2/	Del.Pts. 2/					
Sempra Energy Trading LLC (FT) #4027 6/ MAP 3	MAP 302	7/1/2008 - 10/31/2012 4/	40,000	\$11.22231	3/	
Shell Energy North America (US), L.P. (FT) #3662 5/ MAP 1	MAP 302	7-1-2008 - 6-30-2015	40,000	\$11.22231	3/	

- 
- 1/ Shipper shall also pay the applicable ACA usage surcharge.
  - 2/ Shippers frequently, even daily, seek to amend receipt and/or delivery measurement and allocation points (MAP) under these contracts. However, these amendments are usually limited to one or two points, and all MAP changes that are granted are kept on file indefinitely.
  - 3/ The maximum rate in Southern Trails' Statement of Rates.
  - 4/ Upon expiration, this agreement will continue year to year thereafter until terminated by Shipper upon 90 days written notice.
  - 5/ This contract does not deviate in any material aspect from the Form of Service Agreement.
  - 6/ This contract has been filed as a non-conforming contract with the Commission.

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**First Revised Sheet No. 7** First Revised Sheet No. 7

Superseding: Original Sheet No. 7

Statement of Non-Conforming Contracts  
Pursuant to § 154.112(b)

Name of Shipper/Contract No.	Rate Schedule	Agreement Date	Date Filed
Sempra Energy Trading LLC #4027	FT	7-1-08	2-22-10

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**Sheet Nos. 8-9** Sheet Nos. 8-9

Sheet Nos. 8 through 9 are reserved for future use.

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**Second Revised Sheet No. 10** Second Revised Sheet No. 10  
Superseding: First Revised Sheet No. 10

RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This rate schedule is available for firm transportation service according to 18 C.F.R. Part 284, Subparts B and G provided on behalf of any Shipper for service from any receipt point to any delivery point.

(a) Southern Trails has available pipeline system capacity to provide the firm service requested; and

(b) Shipper and Southern Trails have executed a transportation service agreement for service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 The transportation service provided under this rate schedule shall:

(a) Be firm service performed pursuant to 18 C.F.R. Part 284, Subparts B & G;

(b) Apply to all gas transported by Southern Trails for Shipper under this rate schedule up to the reserved daily capacity (RDC) as defined in § 1.38 of the General Terms and Conditions and specified in the transportation service agreement;

(c) Be subject to curtailment as provided in § 10 of the General Terms and Conditions; and

(d) Be provided according to the availability determined by § 10 of the General Terms and Conditions.

2.2 Authorized Overrun Service. Upon request of Shipper, and if capacity is available, Southern Trails will transport and deliver volumes of gas in excess of Shipper's RDC. The service (i) shall be available only to the extent it does not impair Southern Trails' ability to provide service under

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RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

any other rate schedule (including service up to the total contracted RDC on this rate schedule), (ii) is interruptible and (iii) is subject to the authorized overrun charge.

3. RATE PROVISIONS

3.1 Specified Charges. All charges for transportation service under this rate schedule, except as provided for in the negotiated rate provision of this rate schedule in § 3.4, shall be those listed in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

(a) Reservation Charge. A monthly reservation charge shall be assessed for each Dth of Shipper's RDC, subject to the following conditions:

(i) The reservation charge shall be stated in the transportation service agreement and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.

(ii) Shipper shall be obligated to pay the reservation charge beginning on the first day of the term of service set forth in Shipper's transportation service agreement.

(iii) In the event the effective date of any Rate Schedule FT transportation service agreement occurs on any day other than the first day of a month, or the termination of any Rate Schedule FT transportation service agreement occurs on any day other than the last day of a month, then the RDC used in the calculation of the reservation charge for such partial month shall be adjusted based on the ratio of the number of days that transportation service was in effect to the total number of days in such month.

(iv) Except in force majeure situations, as provided in § 3.1(v), Shipper's obligation to pay the reservation charge shall not be terminated or reduced under any circumstance, except by a reduction in Shipper's RDC agreed to by Southern Trails. Except as provided for elsewhere in this tariff, if Shipper releases its capacity, Shipper will remain liable for the full reservation charge. When a Shipper has released capacity, Southern Trails will apply a conditional credit to the releasing

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RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

Shipper's bill for the reservation charges billed the replacement Shipper. If the replacement Shipper fails to pay Southern Trails, Southern Trails will notify the releasing Shipper that the conditional credit has been reversed and that the total amount is due pursuant to § 16.10 of the General Terms and Conditions.

(v) If Southern Trails interrupts service due to a force majeure occurrence, the reservation charge otherwise payable for a month shall be credited by an amount equal to the product of the quantity Southern Trails failed to receive or deliver on each day of the month times the daily reservation charge credit rate specified on the Statement of Rates. When a shipper is paying a discounted reservation rate the daily reservation charge credit rate shall be reduced by the difference between the discounted reservation rate and the maximum reservation rate. The credit, which reflects the return on equity and income tax component of Southern Trails' reservation charge, shall be included on Southern Trails billing to Shipper.

(b) Usage Charge. Shipper shall pay the appropriate usage charge for all gas delivered by Southern Trails for transportation. The usage charge shall be stated in the transportation service agreement or any amendment and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.

(c) Overrun Charges. Shipper shall pay all overrun charges that may be assessed according to this rate schedule and Southern Trails' Statement of Rates for all authorized or unauthorized overrun quantities of gas transported by Southern Trails.

(d) Additional Facility Charge. Any charge for additional facilities shall be paid by Shipper according to § 24 of the General Terms and Conditions.

(e) Cashout. Shipper will be subject to the balancing and cashout provisions according to § 15 of the General Terms and Conditions.

(f) Marketing Fee. Shipper and Southern Trails may agree upon a fee to be paid by Shipper to Southern Trails when Southern Trails actively markets any capacity that is released to a replacement Shipper.

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**Original Sheet No. 13** Original Sheet No. 13 : Effective

RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

(g) Fuel Reimbursement. A fuel reimbursement charge will be assessed according to 30 of the General Terms and Conditions.

(h) Annual Charge Adjustment. The Annual Charge Adjustment listed on the Statement of Rates shall apply to all quantities of gas transported for Shipper under this rate schedule.

(i) Other Charges. Southern Trails shall charge Shipper for any other FERC-approved charges that may apply to service under this rate schedule.

3.2. Rate Changes. Southern Trails may from time to time file with the FERC to change the rates set forth on the Statement of Rates applicable to service under this rate schedule. Southern Trails shall be entitled to implement any changed rates on their effective dates, subject to any refunds, surcharges or other conditions that are specified as terms of the transportation service agreement or that are permitted or required by the FERC. Nothing in this section limits Shipper's rights to contest such changes, nor limits the rights of Shipper and Southern Trails to provide for changes in rates through the terms of the transportation service agreement.

3.3 Flexible Rates. Nothing in this tariff limits Southern Trails' right to implement different rates in transportation service agreements with other Shippers under this rate schedule within the ranges set forth in the Statement of Rates.

Southern Trails shall file with the Commission any and all reports as required by the Commission's Regulations setting forth the applicable charges, the individual Shippers affected, the volume transported and any other information that may be required.

3.4 Negotiated Rates. Notwithstanding anything to the contrary contained in this tariff, Southern Trails and Shipper may negotiate a rate that exceeds the maximum reservation and usage rates for service under this rate schedule. Southern Trails' maximum rate, as shown on its Statement of Rates, is available as a recourse rate for any Shipper that does not desire to negotiate a rate with Southern Trails. An agreement by the Shipper to accept a negotiated rate does not restrict the Shipper's right to

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**First Revised Sheet No. 14** First Revised Sheet No. 14  
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RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

elect recourse rates for other services. This provision, in and of itself, does not allow Southern Trails and Shipper to negotiate terms and conditions of service.

4. REGULATORY FEES

Shipper shall reimburse Southern Trails for all fees required by the FERC or any other regulatory agency to implement the service provided under this rate schedule. Southern Trails will issue its statement to Shipper setting forth the fees paid by Southern Trails to implement the service. The amount to be reimbursed shall be paid by Shipper with the next payment for service following receipt of Southern Trails' statement.

5. RECEIPT AND DELIVERY

Shipper's primary receipt and delivery points for gas tendered by Shipper to Southern Trails will be identified in the transportation service agreement. All other receipt and delivery points will be available as alternate points to Shippers under this rate schedule.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this tariff are applicable to this rate schedule and are incorporated by reference.

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**Original Sheet No. 15** Original Sheet No. 15 : Effective

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**Second Revised Sheet No. 20** Second Revised Sheet No. 20  
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RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This rate schedule is available for interruptible transportation service according to 18 C.F.R. Part 284, Subparts B & G provided on behalf of any Shipper for service from any receipt point to any delivery point.

(a) Southern Trails is able to provide such service consistent with its other obligations under Original Volume No. 1 of its FERC Gas Tariff; and

(b) Shipper and Southern Trails have executed a transportation service agreement for service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

The transportation service provided under this rate schedule:

(a) Shall be interruptible service performed pursuant to 18 C.F.R. Part 284, Subparts B and G;

(b) Shall apply to all gas transported by Southern Trails for Shipper under this rate schedule up to the daily quantity (DQ) as defined in § 1.9 of the General Terms and Conditions and specified in the transportation service agreement;

(c) Shall be subject to interruption as provided in § 10 of the General Terms and Conditions; and

(d) Shall be provided according to the availability determined by § 10 of the General Terms and Conditions.

3. RATE PROVISIONS

3.1 Specified Charges. All charges for transportation service under this rate schedule, except as provided for

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RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE

in the negotiated rate provision of this rate schedule in § 3.4, shall be as set forth in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

(a) Usage Charge. Shipper shall pay the appropriate usage charge for all gas delivered by Southern Trails for transportation. The usage charge shall be set forth in the transportation service agreement or any amendment, and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.

(b) Unauthorized Overrun Charge. Shipper shall pay the unauthorized overrun charge set forth on Southern Trails' Statement of Rates for all unauthorized quantities of gas transported by Southern Trails.

(c) Additional Facility Charge. Any charge for additional facilities shall be paid by Shipper according to § 24 of the General Terms and Conditions.

(d) Cashout. Shipper will be subject to the balancing and cashout provisions according to § 15 of the General Terms and Conditions.

(e) Fuel Reimbursement. A fuel reimbursement charge will be assessed according to § 30 of the General Terms and Conditions.

(f) Annual Charge Adjustment. The Annual Charge Adjustment listed on the Statement of Rates shall apply to all quantities of gas transported for Shipper under this rate schedule.

(g) Other Charges. Southern Trails shall charge Shipper for any other FERC-approved charges that may apply to service under this rate schedule.

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**First Revised Sheet No. 22** First Revised Sheet No. 22  
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RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE

3.2 Rate Changes.

Southern Trails may from time to time file with the FERC to change the rates set forth on the Statement of Rates applicable to service under this rate schedule. Southern Trails shall be entitled to implement any changed rates on their effective dates, subject to any refunds, surcharges or other conditions that are specified as terms of the transportation service agreement or that are permitted or required by the FERC. Nothing in this section limits Shipper's rights to contest such changes, nor limits the rights of Shipper and Southern Trails to provide for lawful changes in rates through the terms of the transportation service agreement.

3.3 Flexible Rates. Nothing in this tariff limits Southern Trails' right to implement different rates in transportation service agreements with other Shippers under this rate schedule within the ranges set forth in the Statement of Rates.

Southern Trails will, prior to the beginning of the month and through use of Informational Postings, post rates at which it is willing to transport gas between specific receipt and delivery points during the succeeding month. Southern Trails shall state the effective date of the rate change. A shipper under this rate schedule paying a discounted rate at the time of notification may elect to pay a higher rate, or the maximum rate, in order to maintain its priority of service. Acceptance of any new rate shall be confirmed and contracted for through Questline.

Southern Trails shall file with the Commission any and all reports as required by the Commission's Regulations setting forth the applicable charges, the individual Shippers affected, the volume transported and any other information that may be required.

3.4 Negotiated Rates. Notwithstanding anything to the contrary contained in this tariff, Southern Trails and Shipper may negotiate a rate that exceeds the maximum usage rates for service under this rate schedule. Southern Trails' maximum rate, as shown on its Statement of Rates, is available as a recourse rate for any Shipper that does not desire to negotiate a rate with Southern Trails. The agreement by the Shipper to accept a negotiated rate does not restrict the Shipper's right to elect recourse rates for other services. This provision does not, in and of itself, allow Southern Trails and Shipper to negotiate terms and conditions of service.

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**First Revised Sheet No. 23** First Revised Sheet No. 23  
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RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE

4. REGULATORY FEES

Shipper shall reimburse Southern Trails for all fees required by the FERC or any other regulatory agency to implement the service provided under this rate schedule. Southern Trails will issue its statement to Shipper setting forth the fees paid by Southern Trails to implement the service. The amount to be reimbursed shall be paid by Shipper with the next payment for service following receipt of Southern Trails' statement.

5. RECEIPT AND DELIVERY

All receipt and delivery points on Southern Trails' transmission system are available for use on an interruptible basis by interruptible Shippers upon nomination.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this tariff, are applicable to this rate schedule and are incorporated by reference.

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GENERAL TERMS AND CONDITIONS

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**Second Revised Sheet No. 31** Second Revised Sheet No. 31  
Superseding: First Revised Sheet No. 31

GENERAL TERMS AND CONDITIONS

These General Terms and Conditions apply to the transportation service provided under Rate Schedules FT and IT and negotiated rate agreements of Southern Trails' FERC Gas Tariff, Original Volume No. 1.

1. DEFINITIONS

1.1 Alternate receipt or delivery point or secondary receipt and delivery point means any point where gas is received into or delivered out of Southern Trails' system that is not listed as a primary receipt or delivery point in Shipper's Rate Schedule FT service agreement.

1.2 Authorized overrun means that quantity of gas authorized by Southern Trails in excess of the RDC specified in the applicable firm transportation service agreement.

1.3 Bidding period means that period of time that released or uncommitted firm capacity is posted on Southern Trails' informational postings and Questline during which Shippers may bid for capacity.

1.4 Bidding Shipper means any Shipper that is qualified to bid for capacity via Southern Trails' Web site.

1.5 Btu means one British thermal unit, which is the amount of heat required to raise the temperature of one pound of water one degree from 59 degrees to 60 degrees Fahrenheit. MMBtu means one million Btu's.

1.6 Capacity release means the release by a firm Shipper of its capacity.

1.7 Contract Transportation Path (CTP) means the contiguous set of RPGs and DPGs between a shipper's contracted primary FT receipt and delivery points.

1.8 Cubic foot means the volume of gas that would occupy a space of one cubic foot at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

1.9 Curtailment means reduction or temporary suspension of firm service.

1.10 Daily quantity (DQ) means the quantity of gas set forth on Shipper's transportation service agreement under Rate Schedule IT.

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*FERC Docket: RP09-780-000*

**First Revised Sheet No. 32** First Revised Sheet No. 32  
Superseding: Original Sheet No. 32

GENERAL TERMS AND CONDITIONS

1.11 Day or gas day means a period of 24 consecutive hours, beginning at 9:00 a.m. Central Clock Time (CCT). Business day is defined as Monday through Friday, excluding federal banking holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.

1.12 Decatherm or Dth means a unit of heating value equivalent to 1,000,000 Btu's.

1.13 Delivery point means a point at which Southern Trails delivers gas to or for the account of Shipper after transportation.

1.14 Delivery Point Group (DPG) means a group of delivery points within specifically identified geographical areas on Southern Trails' transportation system.

1.15 Equivalent volumes means the sum of the volumes of gas measured in Mcf received by Southern Trails for the account of Shipper at the points of receipt during any given period of time, (a) reduced by (i) fuel gas, (ii) Shipper's pro rata share of unaccounted-for gas resulting from the operations of Southern Trails during the same period of time and (iii) any gas vented during the same period of time and (b) adjusted for any variations in Btu content, as corrected for any water vapor in excess of seven pounds per million cubic feet of gas. The volumes of gas delivered at the point of delivery after transportation shall be the thermal equivalent of the volumes of gas received at the point of receipt for transportation, after reduction, correction and adjustment as provided above.

1.16 FERC or Commission means the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which are exercisable by the Federal Energy Regulatory Commission.

1.17 Force majeure shall include, without limitation, acts of God including fires, explosions, earthquakes or volcanic eruptions, storms, floods, extreme temperatures, washouts; necessity for compliance with any court order, law, regulation or ordinance promulgated by any governmental authority having jurisdiction, either federal, state or local, civil or military; acts of a public enemy; wars; civil disturbances; strikes, lockouts or other industrial disturbances; shutdowns for purposes of necessary repairs, relocations, or construction of facilities, breakage or accident to machinery or lines of pipe; the necessity for testing (as required by governmental authority or as deemed

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necessary for safe operation by the testing party); inability of either party to obtain necessary materials, supplies, permits, or labor to perform or comply with any obligation or condition of this tariff; inability to obtain rights of way; and any other causes, whether of the kind herein recited or not, which are not reasonably in the control of the party claiming suspension.

1.18 Gas means combustible hydrocarbon gas.

1.19 Gross heating value means the number of British thermal units produced by the combustion at a constant pressure, of the amount of gas that would occupy a volume of one cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis and under a pressure equivalent to that of 30.0 inches of mercury at 32 degrees Fahrenheit and under standard gravitational force (acceleration of 980.665 cm/sec<sup>2</sup>) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air and when the water vapor formed by combustion is condensed to the liquid state.

1.20 Imbalance means the difference between Shipper's scheduled delivery and the quantity of gas received by Southern Trails from the Shipper during the applicable nomination period adjusted for fuel use and lost and unaccounted-for gas.

1.21 Inert substances means non-combustible substances contained in the gas, including but not limited to helium, carbon dioxide and nitrogen.

1.22 Interruptible capacity means the sum of unsold and unnominated firm capacity at a receipt or delivery point.

1.23 Interruption means reducing, suspending or discontinuing either the receipt or delivery of gas.

1.24 Intra-day nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and extends through the end of that gas day.

1.25 Mcf means 1,000 cubic feet of gas. MMcf means 1,000,000 cubic feet of gas.

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**First Revised Sheet No. 34** First Revised Sheet No. 34  
Superseding: Original Sheet No. 34

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1.26 Month means the period beginning at 9:00 a.m. CCT on the first day of any calendar month and ending at the same hour on the first day of the succeeding calendar month.

1.27 Operational flow order (OFO) means an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of Southern Trails' system or to maintain operations required to provide efficient and reliable firm service. Whenever Southern Trails experiences these conditions, any pertinent order shall be referred to as an operational flow order.

1.28 Operational balancing agreement (OBA) means a contract between two parties, which specifies the procedures to manage operating variances at an interconnect.

1.29 Posting of Released Capacity means the following:

(a) Pre-arranged capacity release not requiring a bid: that time when both (1) the releasing Shipper has correctly completed the capacity release offer and (2) the pre-arranged replacement Shipper has correctly completed the bid (confirmation) for that offer on Questline.

(b) Capacity release requiring a bid: that time when the releasing Shipper has correctly completed the capacity-release offer on Questline.

1.30 Primary receipt and delivery point means a receipt or delivery point on Southern Trails' system where the Shipper has contracted for firm capacity.

1.31 Products means liquid and liquefiable hydrocarbons, inerts (including, but not limited to, helium and nitrogen), sulfur, water and any other component of gas removed by processing or compression, or by means of drips or separators.

1.32 Psia expresses pressure in pounds per square inch absolute.

1.33 Psig expresses pressure in pounds per square inch gauge.

1.34 Questline means the contracting/capacity release and nominations/confirmations systems.

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*FERC Docket: RP09-1028-000*

**Third Revised Sheet No. 35** Third Revised Sheet No. 35  
Superseding: Second Revised Sheet No. 35

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1.35 Recallable capacity means firm capacity that is released subject to the releasing Shipper's right to recall capacity during the term of the release.

1.36 Receipt point means a point at which Southern Trails receives gas from or for the account of Shipper for transportation on the system.

1.37 Receipt Point Group (RPG) means a group of receipt points within specifically identified geographical areas on Southern Trails' transportation system.

1.38 Releasing Shipper means any Shipper holding firm capacity rights under a transportation service agreement under Rate Schedule FT that releases firm capacity.

1.39 Replacement Shipper means any Shipper that acquires released firm capacity from a releasing Shipper.

1.40 Request for Service means a written or an electronic request for service submitted by any party under §§ 6 and 7 of the General Terms and Conditions.

1.41 Reserved daily capacity (RDC) means the quantity of gas in Dth per day that Southern Trails is obligated to receive, transport and deliver to Shipper on a firm basis.

1.42 Scheduled quantity means the volume of gas that Southern Trails agrees to deliver to Shipper during the applicable nomination period.

1.43 Shipper means a party who has either (a) received service according to an effective rate schedule or a negotiated rate agreement under this tariff, (b) has executed a transportation service agreement, (c) has received a logon and password or (d) has completed a request for service.

1.44 System shall mean the pipeline and any compression and related facilities owned by Southern Trails.

1.45 Time means that references to time in all parts of this tariff are CCT, unless otherwise noted.

1.46 Unaccounted-for gas means the volume of gas that is the difference between the sum of all input volumes of gas to the system and the sum of all output volumes of gas from the system during a month (except gas as provided for in § 15 of the General Terms and Conditions and changes, if any, in line pack during that month), including, but not limited to, (a) fuel gas, (b) gas vented and (c) gas lost as

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**Second Revised Sheet No. 36** Second Revised Sheet No. 36  
Superseding: First Revised Sheet No. 36

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a result of an event of force majeure, the ownership of which cannot be reasonably identified.

1.47 Unauthorized overrun means that quantity of gas by which Shipper exceeds, without Southern Trails' consent, Shipper's RDC or DQ.

1.48 Year shall mean a period of 365 consecutive days or 366 consecutive days if such period includes February 29, beginning January 1, unless otherwise specified.

2. NEGOTIATED RATES

2.1 Applicability. Notwithstanding anything to the contrary contained in this tariff, Southern Trails may charge a negotiated rate for service under any rate schedule contained in this tariff to any Shipper that also has access to service at the rates set forth in the applicable rate schedule as shown on the effective Statement of Rates (recourse rates), and agrees to pay the negotiated rate. Recourse rates are the maximum rates set forth in the applicable rate schedule as shown on the effective Statement of Rates. This provision, in and of itself, does not allow Southern Trails and Shipper to negotiate terms and conditions.

2.2 Negotiated Rate. A negotiated rate shall mean a rate for service, under a single rate schedule, where one or more of the individual rate components exceed the maximum charge, or are less than the minimum charge, for such components. This shall include a rate derived by a formula where one or more of the individual rate components may exceed the maximum charge, or may be less than the minimum charge.

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2.3 Conditions. Implementation of a negotiated rate shall be subject to the following conditions:

(a) Southern Trails and Shipper have executed a valid transportation service agreement to implement negotiated rates.

(b) Shipper had access to service pursuant to this FERC Gas Tariff at the rates set forth on the Statement of Rates at the time of the execution of the transportation service agreement implementing negotiated rates.

(c) Southern Trails has filed a tariff sheet advising the Commission of such agreement. The numbered tariff sheet will state the exact legal name of the Shipper, the negotiated rate, other applicable charges, the receipt and delivery points, the volume of gas to be transported and the applicable rate schedule for service provided at a negotiated rate. The tariff sheet will include a statement affirming that the negotiated rate agreement does not deviate in any material aspect from the applicable form of service agreement or Southern Trails will file the agreement pursuant to 154.112(b) of the Commission's Regulations.

2.4 Bidding for Firm Capacity. Southern Trails and Shipper may negotiate and post for competitive bidding, a rate that exceeds the applicable maximum reservation rate. If competing bids under 6 of these General Terms and Conditions reflect different rate forms, i.e., negotiated rates vs. recourse rates, Southern Trails shall award the capacity, or a portion thereof, using the evaluation criteria of 6 of this tariff. The negotiated reservation charge reflected in such evaluation criteria may not exceed the maximum applicable recourse rate. Southern Trails will calculate this value based only on the reservation charge or similar guaranteed revenue stream.

2.5 Agreements Subject to the Right of First Refusal. For purposes of 8 of these General Terms and Conditions, the highest rate that a Shipper must match in order to continue to receive service is the maximum rate set forth on the Statement of Rates that is applicable to such service. For purposes of evaluating bids under 6, the value of the bid will be based only on the reservation charge or similar guaranteed revenue stream.

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Superseding: Original Sheet No. 38

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2.6 Capacity Release. In the event of a capacity release, Southern Trails and the releasing Shipper may, in connection with their firm negotiated rate agreement, agree upon payment obligations and crediting mechanisms that vary from or are in addition to those set forth in § 7 of this Tariff. This provision, in and of itself, does not allow Southern Trails and the releasing Shipper to negotiate the terms and conditions of service.

2.7 Capacity Scheduling. For purposes of allocating capacity under § 14 of these General Terms and Conditions, a Shipper paying a negotiated rate that exceeds the maximum rate for that service will be considered to have paid the maximum rate for such service.

2.8 Accounting for Costs and Revenues. Allocation of costs to and recording of revenues from service at negotiated rates or rate formulas will follow Southern Trails' normal practices associated with transportation services provided under this tariff. If Southern Trails institutes any revenue tracker or other device to flow through to its Shippers the impact of interruptible or other transportation transactions, the treatment of such tracker of revenues from nonconforming negotiated rates or rate formulas shall be specified in the applicable tariff provision.

2.9 Section 4(e) Rate Case Tracking. Southern Trails will separately record the volume transported, billing determinants, rate components, surcharges and the revenue associated with its negotiated-rate transactions so that this information can be separately identified, and separately totaled as part of Statements G, I, and J in any applicable rate case filing under § 4(e) of the Natural Gas Act, 15 U.S.C. & § 717(c). Southern Trails' recovery of surcharges will comport with existing practices.

3. PIPELINE INTERNET PAGE AND QUESTLINE

3.1 Informational Postings and Questline. Southern Trails will provide an internet site for informational postings, and interactive systems for contracting/capacity release and nominations/confirmations (collectively referred to as Questline) on a nondiscriminatory basis to any party that has compatible computer equipment and communication software. The informational postings will include notices, marketing and energy affiliate information, operationally available and unsubscribed capacity, index of customers and the tariff.

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**Second Revised Sheet No. 39** Second Revised Sheet No. 39  
Superseding: First Revised Sheet No. 39

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This information will not require a logon and password and can be accessed via the central address repository site identified in § 3.6. Questline users will be required to obtain a logon and password from Southern Trails through completion of the Questline Access Agreement.

3.2 Access. Entry to Southern Trails' informational postings is available to all parties. Informational postings can be read using any standard browser. Otherwise, access to Questline will only be granted through use of a logon and password, which will be assigned and controlled by Southern Trails. Before a Shipper will be allowed to transact business on Questline, Shipper must execute and return the Questline Access Agreement and meet Southern Trails' creditworthiness requirements set forth in § 9 of this tariff.

3.3 System Availability. Users may access Southern Trails' general information and systems seven days a week, 24-hours a day except when the site is down unexpectedly or for necessary maintenance. Shipper nominations and operator confirmations tendered according to § 14 of these General Terms and Conditions, and when the system is down, may be tendered via facsimile transmission.

3.4 Available Information. In addition to the information and processes for the capacity release program described in § 7 of these General Terms and Conditions, Southern Trails will provide the following information on its informational postings and systems:

(a) General operational information, such as operational flow orders, flow information, current nominations, cumulative daily or monthly imbalances, daily allocation of electronically-measured receipt and delivery points and scheduled quantities (including scheduled intra-day nominations and other scheduling changes). In addition to making scheduled quantities information available by 4:30 p.m. at the end of each day, Southern Trails shall also make available to Shippers information containing scheduled quantities, including scheduled intra-day nominations and any other scheduling changes.

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**Second Revised Sheet No. 40** Second Revised Sheet No. 40  
Superseding: First Revised Sheet No. 40

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- (b) Available capacity at receipt and delivery points.
- (c) Whether the capacity is available from Southern Trails or through the capacity release program.
- (d) Effective rates for firm and interruptible service.
- (e) Service request and acquisition forms allowing Shippers and potential Shippers to request or change firm or interruptible service electronically through Questline.
- (f) Standards of conduct relating to service.
- (g) Discounts granted for service to affiliates.
- (h) General information, critical notices and news items relating to rates, available capacity, expansions, etc. Critical notices shall be defined to pertain to information on Southern Trails' pipeline conditions that affect scheduling or adversely affect scheduled gas flow.

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**Third Revised Sheet No. 41** Third Revised Sheet No. 41  
Superseding: Second Revised Sheet No. 41

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3.5 Electronic Data Interchange (EDI). Southern Trails will also maintain an Internet server and Internet address for conducting business transactions via the Electronic Delivery Mechanism standards adopted by Order No. 587-B and incorporated into this tariff by reference in § 28 of these General Terms and Conditions. For EDI transactions, Southern Trails will enter into a trading partner agreement with interested parties. Southern Trails will adopt the NAESB Model Trading Partner Agreement reflecting Internet standards. Southern Trails' EDI contact is listed on its website or Shippers may contact the Customer Service Department at the telephone number listed in § 4.1.

3.6 World Wide Web Page. Southern Trails has established HTML pages accessible via the Internet's World Wide Web. The information that is provided will be posted per FERC-adopted NAESB standards. The information on this site includes, but is not limited to:

(a) Notices (critical notices, operation notices, systemwide notices, etc.). Southern Trails will also support further notification, to be designated by Shipper, and mutually agreed to, through the following channels: (1) up to two internet e-mail addresses provided by Shipper or (2) additional electronic notification specified by Shipper.

(b) FERC Order No. 2004 marketing and energy affiliate information (affiliate capacity allocation log, discount postings, etc.).

(c) Operationally available and unsubscribed capacity.

(d) Index of customers.

(e) Southern Trails' tariff (terms, conditions and rates), or General Terms and Conditions.

3.7 Web Page Access. Southern Trails' web page may be accessed at WWW.QUESTARPIPELINE.COM.

3.8 Communication Protocols. As required by 18 C.F.R. § 284.12(b)(3)(ii), (iv) and (v) (2003), Southern Trails will

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comply with the following requirements for public information documents that are posted on its web site:

(a) Documents will be accessible to the public over the public Internet using commercially available web browsers, without imposition of a password or other access requirement.

(b) Users will be able to (1) search an entire document online for selected words, (2) copy selected portions of the documents and (3) directly download the document without the need to view.

(c) Southern Trails shall provide the same content for all information, regardless of the electronic format in which it is provided.

(d) Southern Trails shall maintain, for a period of three years, all information displayed and transactions conducted electronically under this section and be able to recover and regenerate all such electronic information and documents. Parties requesting specific archived historical data may contact the Contract Services Department. Requestors will be charged a fee calculated by multiplying the actual number of hours required to research, collect and prepare the data by the hourly rate posted on Southern Trails' web site for providing these services. Southern Trails will provide the research information to the requestor in either hardcopy or electronic format.

4. QUESTLINE CONTRACTING/CAPACITY RELEASE PROCEDURES

4.1 (a) Procedures. Generally, all requests or bids for service, contracting for service, changes to a Shipper's service agreement, releasing capacity and bidding on released capacity must be made through Questline. Before a Shipper will be allowed to transact business on Questline, Shipper must execute and return the Questline Access Agreement and meet Southern Trails' creditworthiness requirements set forth in § 9 of this tariff. A Request for Shipper Access shall be submitted via the web page at [www.questarpipeline.com](http://www.questarpipeline.com) or to:

Customer Service Department  
Questar Southern Trails Pipeline Company  
180 East 100 South  
Salt Lake City, UT 84111  
Phone (801) 324-2963 or 324-5280  
FAX (801) 324-2578  
Pager (801) 324-9800

(b) Form of the Agreement. Unless requested by Shipper, no written contract or documents will be issued by Southern Trails. The terms and conditions of this tariff

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**Second Revised Sheet No. 43** Second Revised Sheet No. 43  
Superseding: First Revised Sheet No. 43

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together with the terms of Shipper's service documented on the completed service agreement on Questline will constitute the terms of the transportation service agreement between Southern Trails and the Shipper.

4.2 Access. The use of a party's logon and password on Questline's transaction screen will be deemed to be the party's consent to be bound by the transaction unless the party's bid is withdrawn as specified in § 6. Southern Trails will revoke a party's logon and password if Southern Trails finds that one of the following events has occurred:

(a) Termination of Shipper's transportation agreement with Southern Trails due to failure of Shipper to comply with Southern Trails' tariff.

(b) Fraudulent or unauthorized use of the logon and password.

(c) Violation of a material term of the electronic contracting access agreement.

(d) An action resulting in a breach of security such as loss, theft or unauthorized disclosures or use of data contained on Questline.

(e) Failure to pay any Commission-approved charges.

(f) Conduct that threatens the viable operations of Southern Trails' electronic contracting system or wrongly interferes with the business transactions of another party.

Southern Trails shall provide immediate notice via Questline or facsimile transmission of its intent to revoke a party's logon access to the electronic contracting system.

4.3 Acquiring Transportation Service.

(a) After complying with the requirements of §§ 3 and 9 of these General Terms and Conditions, a party may bid for firm service or request interruptible service on Southern Trails' system via Questline.

(b) After receiving a request for interruptible service, Southern Trails will evaluate Shipper's service

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**Second Revised Sheet No. 44** Second Revised Sheet No. 44  
Superseding: First Revised Sheet No. 44

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request. Once the request has been evaluated and approved, Southern Trails will issue a completed service agreement on Questline containing the terms of the service that Southern Trails will provide. Placement of the completed service agreement on Questline will be Southern Trails' assent to the contract and notice to the Shipper of the contract.

(c) A Shipper bidding for uncommitted firm capacity from Southern Trails must follow the procedures of § 6 of these General Terms and Conditions.

4.4 Changes to Shipper's Transportation Service. If Shipper desires to change a term of its transportation service, it must complete a service amendment form on Questline. Southern Trails will evaluate the Shipper's request. If Southern Trails agrees to the requested amendment, Southern Trails will place a completed service amendment form on Questline. The completed form will be notice to the Shipper that the change in service has been made.

#### 5. REQUEST FOR INTERRUPTIBLE SERVICE

5.1 Request for Service. If a Shipper desires service under Rate Schedule IT, it must request the service via Questline and provide the following information:

(a) The name, business address and phone number of the Shipper requesting service and the party with whom all contact should be made.

(b) A designation of whether Shipper is a local distribution company, intrastate pipeline company, interstate pipeline company, producer, end user or marketer.

(c) Whether Shipper is a marketing or energy affiliate of Southern Trails.

(d) The name of the local distribution company or intrastate pipeline company on whose behalf the gas will be transported if 18 C.F.R. Part 284, Subpart B service is requested.

(e) If § 311 service is requested, a declaration explaining how the requested service qualifies as § 311 service.

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**First Revised Sheet No. 45** First Revised Sheet No. 45  
Superseding: Original Sheet No. 45

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(f) The initial term of the service, including beginning and ending dates.

(g) The type and level of service requested.

Under Rate Schedule IT

(i) Daily Quantity stated in Dth/day

(ii) Estimated average daily quantity stated in Dth/day

(h) The usage charge that Shipper proposes to pay for the requested service.

5.2 Information Update. Any change in the facts or information provided by Shipper in its request for service, whether before or after service begins, must be promptly communicated to Southern Trails.

6. ACQUIRING FIRM SERVICE

6.1 On or about the 1st day of each month, Southern Trails will post a notice on Questline of any available capacity under Rate Schedule FT. Available capacity shall be awarded using the bidding procedures described in § 6. Southern Trails' notice will include the following information:

(a) RDC stated in Dth/day.

(b) The receipt and delivery points.

(c) The beginning and ending dates of the service.

(d) The minimum acceptable service term.

(e) The minimum rate Southern Trails is willing to accept.

(f) Any other non-discriminatory conditions applicable to the acceptance of the service.

6.2 Bidding for Capacity. A Shipper desiring to obtain the firm capacity from Southern Trails must submit a bid for the service according to the procedures outlined in this section.

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6.3 Qualifications for Bidding. Any party wishing to become a bidding Shipper must prequalify by satisfying the creditworthiness provisions and Questline access and signatory requirements of this tariff prior to submitting a bid for capacity.

6.4 Bid Period. Southern Trails' bid period for firm capacity will begin on the day available capacity is posted on Questline and will be administered as described below in CCTs:

(a) The initial bid period will be held from 9:00 a.m. on the day available capacity is posted on Questline until 1:00 p.m. on the eighth business day prior to the end of the month. Shippers desiring to submit a bid for service must do so prior to 1:00 p.m. on the eighth business day prior to the end of the month. The rate, term and present value of each bid received during the initial bid period will be shown on Questline as received. However, the identity of the bidding Shipper shall be kept confidential.

(b) If no competing bids are received for the same available capacity on Southern Trails' system, the board will close at 1:00 p.m. If competing bids are received, Southern Trails will post notification of the competing bids on Questline on or before 2:00 p.m. Shippers who submitted competing bids will have an opportunity, beginning at 2:00 p.m., to post an updated bid that equals or exceeds the highest competing bid, as calculated according to § 6.7. If no bids are received within the first hour, bidding will close at 3:00 p.m. Otherwise, bidding will continue until there has been no bidding activity for 30 minutes or until 4:00 p.m., whichever occurs first.

(c) Throughout the bidding period, Southern Trails will continue posting a list of all bids, including competing bids, on Questline as they are received or updated.

(d) Except for capacity that is subject to a right of first refusal according to § 8 of the General Terms and Conditions of this tariff, capacity will be awarded no later than 11:00 a.m. on the second business day following the bid period to the Shipper or Shippers whose bid offers a rate and term that yields the highest present value per unit of capacity and whose terms and conditions are acceptable to Southern Trails.

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Superseding: First Revised Sheet No. 47

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(e) Capacity sold during the bid period will be available no sooner than the first day of the month succeeding the bid period.

(f) Southern Trails, at its discretion, may decline to award the capacity and repost it in subsequent bid periods if a satisfactory bid has not been received.

6.5 Bidding Information. Each bid for capacity must include the following:

(a) Capacity transaction number.

(b) Bidding Shipper's name and the name and telephone number of the individual placing the bid.

(c) The beginning and ending dates of the proposed capacity acquisition.

(d) The maximum reservation charge the bidding Shipper is willing to pay for the capacity.

(e) The desired RDC stated in Dth/day.

(f) Whether the bidding Shipper will accept a pro rata allocation of capacity and the minimum amount of capacity the bidding Shipper is willing to accept.

(g) A designation of whether Shipper is a local distribution company, intrastate pipeline company, interstate pipeline company, producer, end user or marketer.

(h) Whether Shipper is a marketing or energy affiliate of Southern Trails.

(i) The name of the local distribution company or intrastate pipeline company on whose behalf the gas will be transported if 18 C.F.R. Part 284, Subpart B service is requested.

(j) If § 311 service is requested, a declaration explaining how the requested service qualifies as § 311 service.

6.6 Bidding Conditions.

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**First Revised Sheet No. 48** First Revised Sheet No. 48  
Superseding: Original Sheet No. 48

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(a) The identity of any bidding Shipper shall be kept confidential. However, the amount of each bid received by Southern Trails during the bid period will be posted on Questline.

(b) A bidding Shipper may replace a bid for available capacity with a subsequent higher bid. A bidding Shipper may not submit simultaneous multiple bids for the same capacity. Any bid that is not replaced by a higher bid will be binding on the bidding Shipper.

(c) A bidding Shipper shall not bid a reservation charge less than the minimum reservation charge nor more than the maximum reservation charge specified by the tariff, unless it is a negotiated rate, nor may the bid exceed the quantity or the term specified by Southern Trails.

(d) Southern Trails shall not be obligated to accept any bid for uncommitted capacity at a rate that is less than the rate specified in Southern Trails' notice.

(e) A Shipper's use of its logon and password on any Questline transaction screen is deemed to be its consent to be bound by the transaction.

(f) Bids for firm service, submitted through a written request must be received before the 10th business day prior to the end of the month during the initial bid period set forth in § 6.4(a). If a bidding Shipper has not met Southern Trails' credit worthiness prequalification, it must make a payment of the lesser of \$10,000 or the reservation charge for the requested RDC for the lesser of two months or the term of the requested service. This reservation charge must be submitted simultaneously with a Shipper's bid and via wire transfer to:

Wells Fargo Bank N.A.  
Salt Lake City, Utah  
ABA 121-000-248  
Acct. 060-00262-98

If the Shipper is the successful bidder, the payment will be applied to service provided to Shipper by Southern Trails. If a Shipper is not the successful bidder, the payment will be refunded to Shipper.

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**First Revised Sheet No. 49** First Revised Sheet No. 49 : Effective  
Superseding: Original Sheet No. 49

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6.7 Awarding of Capacity. Southern Trails' capacity shall be awarded to the bidding Shipper whose bid offers a rate and term that yields the highest present value and whose terms and conditions are acceptable to Southern Trails. The present value shall be calculated using the formula stated below. Southern Trails' acceptance of a bid shall be conditioned upon the Shipper satisfying Southern Trails' creditworthiness standards and eligibility requirements.

(a) Present value formula:

Monthly Reservation Charge x  $[1 - (1+i)^{-n}] = \text{Present Value}$   
Per Unit [ i ] per Unit

Where: i = interest rate per month, i.e., overall rate  
of return divided by 12 months.

n = term of the agreement, in months.

(b) If two or more firm Shippers have the same present value and Southern Trails' capacity is insufficient to serve the Shippers, capacity will be allocated pro rata based on requested RDC between these firm Shippers.

(c) Southern Trails is not obligated to award capacity unless a bid meets the rates and the terms and conditions specified in Southern Trails' notice.

(d) To document the award of the capacity to the successful bidding Shipper, Southern Trails will place a service agreement between Southern Trails and the bidding Shipper on Questline conforming to the terms of the Shipper's bid. Since the bidding Shipper is bound by its bid, no further Shipper acceptance will be required.

6.8 Requests for Discounts. Southern Trails is not required to accept a request for a discount that is less than the posted minimum acceptable rate for the posted uncommitted firm capacity.

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**Second Revised Sheet No. 50** Second Revised Sheet No. 50  
Superseding: First Revised Sheet No. 50

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6.9 Notice of Awarded Capacity. Within one business day after capacity has been awarded, Southern Trails shall post the following information regarding each transaction on Questline for a period of 30 days:

- (a) The name of the Shipper and the transaction number.
- (b) Whether or not the Shipper is a marketing or energy affiliate of Southern Trails.
- (c) Term of service.
- (d) Reservation charge.
- (e) Primary receipt and delivery points.
- (f) The RDC in Dth/day.
- (g) The term of any discount.
- (h) Any special conditions that apply to a discount.
- (i) The maximum rate.

6.10 Sale of Capacity following Bid Periods. Any Capacity remaining after the close of the bid period may be requested on Questline and acquired on a first-come, first-served basis. Requests for capacity must meet or exceed the minimum requirements outlined in the corresponding capacity posting. Shippers whose request offers a rate, term and conditions acceptable to Southern Trails will be awarded capacity. Awarding of capacity on a first-come, first-served basis will be suspended during each bid period, except for the awarding of short-term capacity available through the end of the month. To document the award of capacity, Southern Trails shall place on Questline a completed service agreement between Southern Trails and the requesting Shipper. The completed service agreement will be notice to the Shipper that the requested service has been awarded.

6.11 Request and Award of Short-term Capacity. Short-term capacity means capacity remaining after the close of the bid period described in § 6.4 and available through the end of the following month.

(a) Requests for short-term capacity must be posted by the requesting Shipper on Questline as follows:

- (1) Timely Cycle: Post by 10:30 a.m. on a Business day.  
A contract will be tendered with a contract number within one hour.

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**First Revised Sheet No. 51** First Revised Sheet No. 51 : Effective  
Superseding: Original Sheet No. 51

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(2) Evening Cycle: Post by 5:00 p.m. on a business day. A contract will be tendered with a contract number within one hour.

(3) Intra-day 1 Cycle: Post by 9:00 a.m. on a business day. A contract will be tendered with a contract number within one hour.

(4) Intra-day 2 Cycle: Post by 4:00 p.m. on a Business. A contract will be tendered with a contract number within one hour.

(b) Shippers may submit a nomination at the time the short-term capacity is acquired.

6.12 Request and Award of Contract Amendments.

(a) Southern Trails will evaluate requests to amend current firm Shipper contracts on a first-come, first-serve basis and in compliance with § 11.2 of the General Terms and Conditions.

(b) Amendment requests received during the bid period, seeking a change to a Shipper's primary receipt and/or delivery point, will be evaluated at the end of the bid period and after firm capacity awards have been made. An exception may be made if Southern Trails finds the amendment will have no impact on capacity being offered in the bidding process, and the amendment is acceptable to Southern Trails.

(c) Amendment requests that will utilize capacity that could otherwise be sold to Shippers via the bidding process will not be awarded.

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**First Revised Sheet No. 52** First Revised Sheet No. 52  
Superseding: Original Sheet No. 52

GENERAL TERMS AND CONDITIONS

7. CAPACITY RELEASE AND ASSIGNMENT

7.1 General. This section defines the terms and conditions of the capacity release program on Southern Trails' system and applies to any Shipper that has contracted for firm transportation service under this tariff and elects to release all or a portion of its firm capacity.

7.2 Conditions of Release. A Shipper shall have the right to release any portion of its firm capacity but only to the extent that the released capacity is acquired by another Shipper through provisions of this section.

7.3 Criteria of Release. A releasing Shipper may specify how bids for released capacity are to be evaluated to determine the best offer. A Shipper must notify Southern Trails of the criteria by which volumetric bids are to be evaluated. These criteria must be objectively stated, applicable to all potential bidders and nondiscriminatory. Unless the offer to release is withdrawn according to § 7.22, the releasing Shipper shall not be entitled to reject a bid that meets its specified criteria.

7.4 Qualification For Participation in the Capacity Release Program. Any party wishing to become a bidding Shipper must prequalify by satisfying the creditworthiness provisions and Questline access and signatory requirements of this tariff prior to submitting a bid for capacity. Notwithstanding Shipper's qualification to participate in Southern Trails' capacity release program, Southern Trails does not guarantee to the releasing Shipper that the replacement Shipper will pay for the contracted-for service.

7.5 Notice by Shipper Electing to Release Capacity. A releasing Shipper must post a notice via Questline that it elects to release firm capacity. The notice must state:

(a) The releasing Shipper's name, contract number and the name and phone number of the individual responsible for authorizing the release of capacity.

(b) The maximum and minimum RDC to be released stated in Dth/day.

(c) The primary receipt and delivery points.

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(d) Whether capacity will be released on a firm or recallable basis. If on a recallable basis, the terms under which the capacity may be recalled.

(e) Whether Shipper will accept contingent bids, the contingencies acceptable to Shipper, the deadline by which all contingencies must be met and whether Southern Trails should award capacity to the next highest bidder if contingencies are not met.

(f) The beginning and ending dates of the release.

(g) Whether the release is temporary or permanent.

(h) The minimum acceptable release period.

(i) Whether the capacity may be released at a one-part volumetric rate.

(j) If capacity is released at a one-part volumetric rate, (i) the volumetric rate, (ii) the terms and conditions applicable to the release, (iii) whether two-part bids will be accepted and (iv) the criteria by which bids are to be evaluated.

(k) The minimum rate at which the Shipper will release the capacity. If the releasing Shipper does not specify a minimum rate, a bidding Shipper may bid any rate up to the maximum rate on Southern Trails' Statement of Rates, except for short-term capacity releases for a term of one year or less that are not subject to the maximum rate.

(l) The criteria by which Southern Trails should evaluate the bids. A releasing Shipper may select the highest rate (the measure of dollars per unit), the net revenue (the measure of the sum of all payments), the present-value formula in § 7.11 or state its own criteria.

(m) The method by which capacity will be awarded if tied bids are received. If no method for awarding capacity to tied bidders is specified, the capacity will be awarded pro rata based on each Shipper's requested RDC.

(n) Any other conditions applicable to acceptance by the releasing Shipper.

(o) The legal name of the Replacement Shipper if the release is a pre-arranged release.

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FERC Docket: RP09-186-000

**Fourth Revised Sheet No. 54** Fourth Revised Sheet No. 54  
Superseding: Third Revised Sheet No. 54

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(p) Whether the pre-arranged Replacement Shipper is an asset manager as defined in 18 C.F.R. Section 284.8(h) (3) or a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. Section 284.8(h) (4).

(q) If the pre-arranged Replacement Shipper is an asset manager, the asset manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper.

7.6 Term of Capacity Release. The term of capacity release may not exceed the term of the releasing Shipper's transportation service agreement, nor may it be less than one gas day.

7.7 Availability of Released Capacity. Released capacity shall be made available on a nondiscriminatory basis and shall be assigned based on the results of a bid period or a pre-arrangement complying with the procedures described below.

7.8 Bidding Periods for Released Capacity. Southern Trails is located in the Mountain Time Zone, which is one hour earlier than all Central Clock Times listed below:

(a) The following released-capacity transactions are exempt from the bidding procedures.

(i) A pre-arranged release for a term greater than one year that (1) is for the maximum tariff rate, (2) is for the full term for which the capacity is released and the full term is greater than or equal to one year and (3) meets all terms and conditions of the release.

(ii) A pre-arranged release for a term of 31 days or less, except rollovers.

(iii) A pre-arranged release that (1) is to a qualified asset manager as defined in 18 C.F.R. Section 284.8(h) (3) or a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. Section 284.8(h) (4), (2) is for the full term for which the capacity is released and (3) meets all terms and conditions of the release.

Posting for non-biddable releases will be as follows for each nomination cycle deadline:

(1) Timely Cycle:

- posting of prearranged deals not subject to bid are due by 10:30 a.m.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.

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*FERC Docket: RP03-391-000*

**First Revised Sheet No. 54A** First Revised Sheet No. 54A : Effective

Superseding: Original Sheet No. 54A

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(2) Evening Cycle:

- posting of prearranged deals not subject to bid are due by 5:00 p.m.;

- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.

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FERC Docket: RP03-391-000

**Second Revised Sheet No. 55** Second Revised Sheet No. 55 : Effective  
Superseding: First Revised Sheet No. 55

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(3) Intraday 1 Cycle:

- posting of prearranged deals not subject to bid are due by 9:00 a.m.;

- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.

(4) Intraday 2 Cycle:

- posting of prearranged deals not subject to bid are due by 4:00 p.m.;

- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.

(b) The following released-capacity transactions must be posted on Questline by the releasing Shipper and the capacity must be awarded through the bidding procedures:

(The timeline set forth below is applicable to all parties involved in the capacity-release process if (1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be creditworthy before the capacity-release bid is tendered and (2) there are no special terms or conditions of the release.)

(i) Posting for biddable releases less than one year including offers for releases for a term of 31 days or less that have not been pre-arranged and roll-over of pre-arranged releases for a term of 31 days or less will follow the timeline below:

(1) offers should be tendered by 12:00 p.m. on a business day;

(2) open season ends no later than 1:00 p.m. on a business day (evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken);

(3) evaluation period ends and award posting if no match required at 2:00 p.m.;

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**First Revised Sheet No. 56** First Revised Sheet No. 56 : Effective  
Superseding: Original Sheet No. 56

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2:00 p.m.; (4) match or award is communicated by  
(5) match response by 2:30 p.m.;

by 3:00 p.m.; (6) where match required, award posting  
(7) contract issued within one hour of  
award posting (with a new contract number, when applicable);  
nomination possible beginning at the next available  
nomination cycle for the effective date of the contract.  
Refer to (iii) below for uploaded offers received through  
electronic data interchange (EDI).

(ii) Posting of biddable releases for a term  
of one year or more shall be processed as described below:

(1) offers should be tendered by 12:00  
p.m. four business days before award;

(2) open season ends no later than 1:00  
p.m. on the business day before timely nominations are due  
(open season is three business days);

(3) evaluation period begins at 1:00 p.m.  
during which contingency is eliminated, determination of best  
bid is made, and ties are broken;

(4) evaluation period ends and award  
posting if no match required at 2:00 p.m.;

2:00 p.m.; (5) match or award is communicated by  
(6) match response by 2:30 p.m.;

by 3:00 p.m.; (7) where match required, award posting  
(8) contract issued within one hour of  
award posting (with a new contract number, when applicable);  
nomination possible beginning at the next available  
nomination cycle for the effective date of the contract.

(iii) For uploaded offers on EDI, the  
following procedures will be followed: Southern Trails shall  
accept and process uploads of capacity release offers from  
releasing Shippers (or their authorized third-party service  
providers), provided the offer is received at Southern  
Trails' designated

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**Second Revised Sheet No. 57** Second Revised Sheet No. 57 : Effective  
Superseding: First Revised Sheet No. 57

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site no later than 15 minutes prior to the respective deadline specified in NAESB Standard 5.3.2. Such received offer, if determined to be valid, will be posted as an offer and will be available for bidding by the posted-by deadline and start of bidding time specified (for the received business day) in NAESB Standard No. 5.3.2 or the releasing shipper's specified business day (if later than the received business day). Southern Trails shall accept and process uploads of capacity release bids from potential acquiring shippers (or their authorized third-party service provider), provided the bid is time-stamped as leaving control of the bidder no later than 2:00 p.m. of the applicable deadline day and is received at Southern Trail's designated site by 2:15 p.m.

For pre-arranged capacity release offers, not requiring a bid period, both the offer and the bid confirmation must be received to be valid. Southern Trails shall accept and process uploads of capacity release bids from potential acquiring Shippers (or their authorized third-party service provider), provided the bid is time-stamped as leaving control of the bidder no later than the respective deadline as specified in NAESB Standard No.5.3.2 and is received at Southern Trails' designated site no later than 15 minutes after such deadline. Such timely bid, if determined to be valid, will be evaluated by Southern Trails for the purpose of identifying the winning bidder associated with the offer upon which the bid was made.

(c) Replacement Shippers may submit a nomination at the time the released capacity is acquired.

(d) When capacity is released and awarded on an intra-day cycle, it is the responsibility of the releasing Shipper and the replacement Shipper to ensure that nominations for a given day do not exceed the contract Reserved Daily Capacity (RDC). Any quantities nominated in excess of the RDC specified in the applicable transportation or storage service agreements, will be treated as Unauthorized Overrun unless approved by Southern Trails. Scheduled quantities in excess of the RDC will be treated as Authorized Overrun.

(e) Southern Trails shall reject and Shipper will be required to withdraw, upon notice by Southern Trails, capacity-release offers reflecting conditions that do not conform to Southern Trails' tariff. A new bid period will be

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**First Revised Sheet No. 58** First Revised Sheet No. 58 : Effective  
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scheduled once the withdrawn capacity-release offer has been revised and reposted.

(f) A releasing Shipper may post on Questline a pre-arranged deal at the maximum rate to determine if another Shipper would be willing to offer better terms and conditions.

(g) A releasing Shipper shall not be able to specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.

7.9 Awarding of Contingent Bids. Released capacity will not be awarded to a bidder submitting a contingent bid until the releasing Shipper has notified Southern Trails through Questline that all contingencies have been met. If all contingencies have not been met by the deadline established by the releasing Shipper, the released capacity shall revert back to the releasing Shipper unless Southern Trails has been directed by the releasing Shipper to award the capacity to the next highest bidder.

7.10 Bids for Released Capacity. A Shipper may submit a bid for released capacity at any time during the bid period.

(a) Each bid for released capacity must include the following:

(i) Released capacity transaction number;

(ii) Bidding Shipper's name and the name and telephone number of the individual placing the bid.

(iii) The beginning and ending dates of the proposed capacity acquisition.

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(iv) The maximum reservation charge the bidding Shipper is willing to pay for the capacity.

(v) The desired RDC stated in Dth/day.

(vi) Whether the bidding Shipper will accept pro rata allocation of capacity and the minimum amount of capacity the bidding Shipper is willing to accept.

(vii) Whether the bidding Shipper is the pre-arranged Shipper.

(viii) Whether the pre-arranged Replacement Shipper is an asset manager as defined in 18 C.F.R. Section 284.8 (h) (3) or a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. section 284.8 (h) (4).

(ix) If the pre-arranged Replacement Shipper is an asset manager, the asset manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper.

(b) A pre-arranged Shipper must post its bid for the capacity on Questline. If the pre-arranged Shipper fails to post its bid, the capacity will not be awarded to the pre-arranged Shipper.

(c) The identity of any bidding Shipper shall be kept confidential. However, the amount of each bid received by Southern Trails during the bid period will be posted on Questline.

(d) A bidding Shipper may not bid a reservation charge or volumetric rate higher than the maximum reservation charge or volumetric rate specified on the Statement of Rates, except for short-term capacity releases for a term of one year or less that are not subject to the maximum rate, nor may the volume or the term of the bid exceed the maximum volume or term specified by the releasing Shipper.

(e) A bidding Shipper submitting a contingent bid must notify Southern Trails and the releasing Shipper, via Questline, when all contingencies have been met.

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**First Revised Sheet No. 60** First Revised Sheet No. 60 : Effective  
Superseding: Original Sheet No. 60

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(f) A bidding Shipper may withdraw its bid prior to the end of the bidding period. However, once a bid is withdrawn, the bidding Shipper may only submit a new bid for that released capacity at a higher rate.

(g) A bid may not be withdrawn after the close of the bid period.

7.11 Awarding of Released Capacity. When Southern Trails makes awards of capacity for which there have been multiple bids meeting minimum conditions, Southern Trails shall award the bids, best bid first, until all offered capacity is awarded.

(a) Temporarily released capacity shall be awarded to the bidding Shipper that makes the best offer based on the criteria specified by the releasing Shipper or the present value formula defined below.

(b) Permanently released capacity shall be awarded to the replacement Shipper that offers a rate and term yielding a present value equal to or greater than the present value of the releasing Shipper's transportation service agreement. The present value shall be calculated using the formula stated below. Acceptance shall be conditioned upon the replacement Shipper satisfying Southern Trails' creditworthiness standards and eligibility requirements.

(c) Present value formula:

$$\text{Monthly Reservation Charge} \times \frac{1 - (1+i)^{-n}}{i} = \text{Present Value} \\ \text{Per Unit} \qquad \qquad \qquad \text{[ } i \text{ ] per Unit}$$

Where: i = interest rate per month, i.e., overall rate  
of return divided by 12 months.  
n = term of the agreement, in months.

(d) If two or more bids are of equal value, the capacity shall be awarded according to the criteria specified by the releasing Shipper. If no method for awarding bids of equal value is specified, the capacity shall be awarded to those bidders pro rata based on the ratio the quantity bid by those bidders bears to the total quantity bid by all bidders multiplied by the quantity of capacity released.

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**Second Revised Sheet No. 61** Second Revised Sheet No. 61 : Effective  
Superseding: First Revised Sheet No. 61

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(e) If no bid is submitted meeting all of the rates and the terms and conditions in the releasing Shipper's release notice, then no award of capacity shall be made.

(f) For a pre-arranged release, if no better offer is received during a bid period and the arrangement is for the full term of the release, then the pre-arranged bidding Shipper shall become the replacement Shipper. If a better offer is received during the bid period, the pre-arranged bidding Shipper shall have one hour from the time notification is received from Southern Trails to match the better offer. If the pre-arranged bidding Shipper fails to match the better offer, then the bidding Shipper who presented the better offer shall become the replacement Shipper.

(g) To document the award of the release of capacity to the successful bidding Shipper, Southern Trails will place a service agreement between Southern Trails and the replacement Shipper on Questline conforming to the terms of the Shipper's bid.

(h) A releasing Shipper shall retain all of the capacity under its transportation service agreement that is not acquired by a replacement Shipper.

(i) The original capacity holder will remain responsible to Southern Trails for payment of the reservation charge throughout the original contract term irrespective of any capacity release.

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7.12 Permanent Release of Capacity.

(a) Where a portion of a Shipper's capacity has been released for the entire remaining term of the releasing Shipper's service agreement without recall or interruption rights, the releasing Shipper may request Southern Trails to amend or terminate its service agreement to reflect a permanent release of the capacity.

(b) Southern Trails shall not be obligated to amend the releasing Shipper's service agreement to reflect a permanent release of capacity unless the capacity is released at the higher of the maximum rate or negotiated rate and for the full term of the agreement and the replacement Shipper meets Southern Trails' creditworthiness requirements. Southern Trails may also condition an amendment to or termination of the original agreement on payment of exit fees. In lieu of exit fees, the replacement Shipper may enter into a new service agreement containing terms and conditions acceptable to Southern Trails. Southern Trails will not amend or enter into a service agreement for a permanent release of capacity at a volumetric rate.

(c) Unless agreed otherwise by Southern Trails, the releasing Shipper shall remain liable for payment of the reservation fee under the agreement. Southern Trails will not unreasonably refuse to relieve the releasing Shipper from any liabilities under the agreement. If capacity is permanently released, and Southern Trails agrees to amend or terminate the releasing Shipper's service agreement to reflect the permanent release of capacity, the releasing Shipper will not be liable for the payment of the reservation charges associated with the permanently released capacity effective the date of the amendment or termination of the releasing Shipper's agreement.

(d) If capacity is permanently released, the replacement Shipper will acquire the right of first refusal held by the releasing Shipper as described in 8 to this tariff for the capacity acquired by the replacement Shipper.

7.13 Notice of Completed Transactions. Within one business day after capacity has been awarded, Southern Trails shall post the following information regarding each transaction on Questline for a period of 30 days:

(a) The name of the replacement Shipper and the release transaction number.

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FERC Docket: RP09-186-000

**Third Revised Sheet No. 63** Third Revised Sheet No. 63  
Superseding: Second Revised Sheet No. 63

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(b) Whether or not the replacement Shipper is an affiliate of Southern Trails.

(c) If a pre-arranged release, whether the Replacement Shipper is an asset manager as defined in 18 C.F.R. Section 284.8(h)(3) or a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. Section 284.8(h)(4).

(d) If the pre-arranged Replacement Shipper is an asset manager, the asset manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper.

(e) Term.

(f) Reservation charge or volumetric rate.

(g) Primary receipt and delivery points.

(h) RDC in Dth/day.

(i) Whether the capacity is firm or recallable.

7.14 Released Capacity Rates. The reservation charge or volumetric rate for any released firm capacity shall be as bid by the replacement Shipper, but in no event shall the reservation charge or volumetric rate be less than Southern Trails' minimum or more than Southern Trails' applicable maximum reservation charge or volumetric rate listed on the Statement of Rates, except for short-term capacity releases for a term of one year or less that are not subject to the maximum rate. All applicable charges will be stated in the transportation service agreement on Questline. The replacement Shipper shall pay any usage charge as well as all other applicable charges, surcharges or fees.

7.15 Effective Date of Release and Acquisition. The beginning date of the release by a releasing Shipper and the acquisition date of a replacement Shipper will be on the beginning date designated on the notice of released capacity.

7.16 Request to Acquire Released Capacity. A Shipper desiring released capacity may post its request on Questline. The Shipper shall provide all criteria that it deems appropriate, but will include the following:

(a) Requesting Shipper's name and person to contact for additional information.

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**Second Revised Sheet No. 64** Second Revised Sheet No. 64  
Superseding: First Revised Sheet No. 64

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- (b) The desired beginning and ending dates.
- (c) The rate the requesting Shipper is willing to pay for the capacity.
- (d) Primary receipt and delivery points.
- (e) The desired RDC in Dth/day.

7.17 Active Marketing Fee. When a releasing Shipper requests that Southern Trails actively market the released capacity, Southern Trails will provide the marketing service at a fee to be negotiated between Shipper and Southern Trails.

7.18 Nominations and Scheduling. A replacement Shipper must nominate and schedule transportation services directly with Southern Trails according to the applicable procedures stated in Southern Trails' tariff.

7.19 Notice of Recall and Reput. Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. Southern Trails will support the following recall notification periods for all released capacity subject to recall rights. Southern Trails is located in the Mountain Time Zone, which is one hour earlier than all Central Clock times listed below:

- (a) Timely Recall Notification:
  - (i) A releasing shipper recalling capacity should provide notice of such recall to Southern Trails and the first replacement shipper no later than 8:00 a.m. on the day that timely nominations are due;
  - (ii) Southern Trails will provide notification of such recall to all affected replacement shippers no later than 9:00 a.m. on the day that timely nominations are due;

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(b) Early Evening Recall Notification:

(i) A releasing shipper recalling capacity should provide notice of such recall to Southern Trails and the first replacement shipper no later than 3:00 p.m. on the day that evening nominations are due;

(ii) Southern Trails will provide notification of such recall to all affected replacement shippers no later than 4:00 p.m. on the day that evening nominations are due;

(c) Evening Recall Notification:

(i) A releasing shipper recalling capacity should provide notice of such recall to Southern Trails and the first replacement shipper no later than 5:00 p.m. on the day that evening nominations are due;

(ii) Southern Trails will provide notification of such recall to all affected replacement shippers no later than 6:00 p.m. on the day that evening nominations are due;

(d) Intraday 1 Recall Notification:

(i) A releasing shipper recalling capacity should provide notice of such recall to Southern Trails and the first replacement shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;

(ii) Southern Trails will provide notification of such recall to all affected replacement shippers no later than 8:00 a.m. on the day that intraday 1 nominations are due; and

(e) Intraday 2 Recall Notification:

(i) A releasing shipper recalling capacity should provide notice of such recall to Southern Trails and the first replacement shipper no later than 2:30 p.m. on the day that intraday 2 nominations are due;

(ii) Southern Trails will provide notification of such recall to all affected replacement shippers no later than 3:30 p.m. on the day that intraday 2 nominations are due.

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**Substitute Original Sheet No. 64B** Substitute Original Sheet No. 64B : Effective

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When capacity is recalled, it may not be re-put for the same gas day. The deadline for notifying Southern Trails of a re-put is 8:00 a.m. to allow for timely nominations to flow on the next gas day. Recall notifications to Southern Trails must be expressed in terms of total released capacity entitlements. Southern Trails is not obligated to deliver in excess of the total daily contract quantity of the release. For recall notification provided to Southern Trails prior to the recall notification deadline specified above (NAESB Standard 5.3.44), and received between 7:00 a.m. and 5:00 p.m., Southern Trails will provide notification to all affected replacement shippers no later than one hour after receipt of such recall notification. For recall notification provided to Southern Trails after 5:00 p.m. and prior to 7:00 a.m., Southern Trails will provide notification to all affected replacement Shippers no later than 8:00 a.m. after receipt of such recall notification.

7.20 Compliance by Replacement Shipper. By acquiring released capacity, a replacement Shipper agrees that it will fully comply with all terms and conditions of this tariff. The terms and conditions of the original release, except price, term and volume, will be binding on all replacement Shippers.

7.21 Obligations of Releasing Shipper. The releasing Shipper shall continue to be liable and responsible for all

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reservation charges associated with the released capacity up to the maximum reservation charge specified in the releasing Shipper's transportation service agreement. Subsequent releases by a replacement Shipper shall not relieve the original or any subsequent releasing Shipper of its obligations under this tariff. When a Shipper has released capacity, Southern Trails will apply a conditional credit to the releasing Shipper's bill for the reservation charges billed the replacement Shipper. If the replacement Shipper fails to pay Southern Trails, Southern Trails will notify the releasing Shipper that the conditional credit has been reversed and that the total amount is due pursuant to § 16.10 of these General Terms and Conditions.

7.22 Option to Withdraw Released Capacity.

(a) The releasing party has the right to withdraw its offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made.

(b) Shipper may be required to withdraw the offer according to § 7.8(e) of these General Terms and Conditions.

(c) The releasing Shipper must provide notice of its withdrawal of released capacity through Questline prior to the close of the bid period. The offer to release capacity may not be withdrawn after the close of the bid period.

8. RIGHT OF FIRST REFUSAL

8.1 Availability and Notice. At least six months prior to the expiration of a firm transportation service agreement with an existing term of one year or greater at the maximum tariff rate, or multi-year seasonal maximum-rate contracts for services offered less than 12 months per year, Shipper must notify Southern Trails of its desire to continue all or part of its existing service. If such notice is given, the Shipper shall retain a right of first refusal. Existing discounted and negotiated-rate firm service agreements effective before March 27, 2000, the effective date of Order No. 637, with a term of one year or longer, may also have a right of first refusal by following the same procedure. Either Southern Trails or Shipper may terminate a firm transportation service agreement at the end of its existing term by providing written notice the earlier of (i) the date of the notice period provided for in Shipper's contract; or (ii) 90 days prior to the expiration of the term of the contract. At the time of entering into a transportation service agreement, Southern Trails may waive its termination rights if Shipper's contract (1) has a volume of 40,000 Dth or greater at the maximum tariff rate or a negotiated rate equal to or greater than the maximum tariff rate and (2) has an initial term of four years or greater. Southern Trails shall provide any information needed by Shipper to exercise its right of first refusal.

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8.2 Posting. Southern Trails shall post on Questline the terms and conditions of the available capacity under the expiring contract as follows:

- (a) RDC stated in Dth/day.
- (b) Receipt and delivery points at which capacity is available and the firm quantities at such points.
- (c) Effective date.
- (d) Term.
- (e) Applicable rates for the service.
- (f) That capacity is subject to right of first refusal.

8.3 Bidding. Capacity will be made available on a nondiscriminatory basis and may be acquired through the bidding process described in § 6 of these General Terms and Conditions.

(a) A Shipper desiring to acquire the available capacity shall place a bid with Southern Trails, via Questline, during the bid period. The bid shall be binding once received by Southern Trails and may not be withdrawn by the bidding Shipper.

(b) A Shipper's bid must include all information included in § 6 of these General Terms and Conditions.

8.4 Terms and Acceptance.

(a) Southern Trails shall not be obligated to accept any bid for the capacity at less than the maximum applicable tariff rate or for a term greater than the term posted in the notice of available unsubscribed capacity. Upon acceptance of a bid, Southern Trails shall inform the existing Shipper of the terms of the bid to permit Shipper to exercise its right of first refusal. A Shipper exercising its right of first refusal must match the highest bid. The existing Shipper shall have five days to inform Southern Trails that it agrees to match the bid.

(b) If the existing Shipper notifies Southern Trails that it elects to match the terms of price and duration

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of the accepted bid, Southern Trails shall contract with the existing Shipper. If the existing Shipper does not elect to match the terms of the replacement Shipper's bid, Southern Trails will contract with the replacement Shipper according to the terms and conditions of the tariff.

(c) If no bids are received and the existing Shipper is willing to pay the maximum rate, the existing Shipper will be entitled to continue to receive service for whatever term it chooses. At the end of the term, the existing Shipper may again exercise its right of first refusal to retain the capacity.

(d) An existing firm Shipper that chooses to exercise its right of first refusal under an expiring contract will retain its right to use the primary receipt and delivery points under that contract.

(e) Any Shipper that acquires available capacity according to this section will not be required to repeat the bidding procedures outlined in § 6 of this tariff.

9. CREDITWORTHINESS

9.1 In evaluating requests for service and for other purposes under this Tariff, Southern Trails will perform a credit appraisal of Shipper.

(a) Acceptance of a Shipper's request for service and the continuation of service to a Shipper are contingent upon the Shipper complying with creditworthiness requirements of this § 9 on an on-going basis. To determine creditworthiness, a credit appraisal shall be performed in accordance with the following criteria:

(i) Southern Trails shall apply consistent evaluation practices to all similarly situated Shippers in determining any Shipper's financial ability to perform its obligations to Southern Trails over the term of the requested or existing Service Agreement.

(ii) A Shipper will be deemed creditworthy if:

(1) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation (S&P) and at least Baa3 by Moody's Investor Service (Moody's) (provided, however, that if the Shipper's rating is at BBB- or Baa3 and the short-term or long-term outlook is Negative, Southern Trails may require further analysis as discussed below); and

(2) the sum of reservation fees, usage fees and any other associated fees and charges for the contract term, on a net present value basis, is less than 15% of Shipper's tangible net worth. If a Shipper

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has multiple service agreements with Southern Trails, then the total potential fees and charges of all such service agreements shall be considered in determining creditworthiness.

(iii) As used in the prior paragraph, the term "tangible net worth" means the excess of assets over liabilities from an accounting stand point, which is also known as "capital." For example, in the case of a corporation, tangible net worth is represented by the capital stock, paid-in

capital in excess of par or stated value, and other free and clear equity reserve accounts, if any. Southern Trails defines tangible net worth for a corporation as the sum of the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity reserve accounts less goodwill, patents, unamortized loan costs or restructuring costs, and other intangible assets. Only actual tangible assets are included in Southern Trails' assessment of creditworthiness. Tangible net worth is compared with the net present value of a Shipper's obligations to Southern Trails under its contracts in applying the 15% test in the prior paragraph.

(iv) If a Shipper does not meet the criteria described above, then such Shipper may request that Southern Trails evaluate its creditworthiness based upon the level of its current and requested service on Southern Trails relative to the Shipper's current and future ability to meet its obligations. Such credit appraisal shall be based upon Southern Trails' evaluation of the following information and credit criteria:

(1) S&P and Moody's opinions, watch alerts, and rating actions and reports, ratings, opinions and other actions by Dun and Bradstreet and other credit reporting agencies will be considered in determining creditworthiness.

(2) Consistent financial statement analysis will be applied by Southern Trails to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements and auditor's notes will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.

(3) Results of bank and trade reference checks and credit reports must demonstrate that Shipper is paying its obligations in a timely manner.

(4) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy of the Shipper. An exception may be made

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for a Shipper which is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act if Southern Trails is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment.

(5) Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent.

(6) Whether Shipper has or has had any delinquent balances outstanding for services provided previously by Southern Trails and whether Shipper is paying and has paid its account balances according to the terms established in its service agreements (excluding amounts as to which there is a good faith dispute).

(7) The nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including Shipper's ability to recover the costs of Southern Trails' services through filings with regulatory agencies or otherwise to pass on such costs to its customers.

(8) Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the contract.

(9) Information which Southern Trails may request to be provided by Shipper to Southern Trails in connection with such a credit evaluation includes the following:

- a. Audited Financial Statements;
- b. Annual Reports;
- c. Most recent statements filed with the Securities and Exchange Commission (or an equivalent authority) or other similar publicly available information;
- d. For public entities, the most recent publicly available interim financial statements, with an attestation by its Chief Financial Officer, Controller, or equivalent (CFO) that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with Generally Accepted Accounting Principles (GAAP) or equivalent;

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e. For non-public entities, including those that are state-regulated utilities, the most recent available interim financial statements, with an attestation by its CFO that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with GAAP or equivalent;

f. For non-public entities, including those that are state-regulated utilities, any existing sworn filings, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing the Shipper's current financial condition;

g. For any state-regulated utility local distribution company, documentation from its state regulatory commission (or equivalent authority) of an authorized cost recovery mechanism;

h. List of affiliates, parent companies, and subsidiaries;

i. Publicly available credit reports from credit and bond rating agencies;

j. Private credit ratings, if obtained by the Shipper;

k. Bank references;

l. Trade references;

m. Statement of legal composition;

n. Statement of the length of time the business has been in operation; and

o. Such other information as may be mutually agreed to by the parties.

(v) If Southern Trails concludes that a Shipper is noncreditworthy, Southern Trails shall notify Shipper within ten (10) Days after that determination is made. If requested by Shipper, Southern Trails shall provide a written explanation of the reasons for this determination. A Shipper may challenge this determination by providing a written rebuttal to Southern Trails' explanation within ten (10) Days after the explanation is provided by Southern Trails. Southern Trails shall respond to such a rebuttal in writing within ten (10) Days. Any re-evaluation of credit by Southern Trails in response to such a rebuttal by the Shipper shall be based on the credit criteria set out in this Section.

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(vi) (1) If Southern Trails requests additional information to be used for credit evaluation after the initiation of service, Southern Trails, contemporaneous with the request, shall provide its reasons for requesting the additional information to Shipper and designate to whom the response should be sent. (Southern Trails and Shipper may mutually agree to waive this requirement.) Upon receipt of either an initial or follow-up request from Southern Trails for information to be used for creditworthiness evaluation, Shipper's authorized representative shall acknowledge receipt of Southern Trails' request. (Southern Trails and Shipper may mutually agree to waive the requirements of this standard.) Shipper's authorized representative shall respond to Southern Trails' request for credit information, as allowed by this Tariff, on or before the due date specified in the request.

(2) Shipper shall provide all the credit information requested by Southern Trails or provide the reasons why any of the requested information was not provided. Upon receipt from Shipper of all credit information provided pursuant hereunder, Southern Trails shall notify Shipper's authorized representative that it has received such information. (Southern Trails and Shipper may mutually agree to waive this requirement.)

(3) Shipper shall designate up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness, including requests for additional information pursuant to the applicable standards, and shall provide to Southern Trails the internet e-mail addresses of such representatives prior to the initiation of service. Written requests and responses are to be provided via internet e-mail, unless otherwise agreed to by the parties. The obligation of Southern Trails to provide creditworthiness notifications is waived until the above requirement on designation of representatives has been met.

(4) Southern Trails shall designate, on its Interactive Website or in written notices to Shipper, the internet e-mail addresses of up to two representatives who are authorized to receive information regarding Shipper's creditworthiness. Shipper's obligation to provide confirmation of receipt of notices requesting such information is met by sending such confirmation to such representatives. In complying with the creditworthiness related notifications pursuant hereto Shipper and Southern Trails may mutually agree to other forms of communication in lieu of internet email notifications.

(b) (i) If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain or continue service hereunder on existing facilities if it elects one of the following options:

(1) Payment in advance of all fees and charges for three (3) Months' advance service;

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(2) A standby irrevocable letter of credit covering all fees and charges for three (3) Months' advance service drawn upon a bank acceptable to Southern Trails;

(3) Security interest covering all fees and charges for three (3) Months' advance service in collateral provided by the Shipper found to be satisfactory to Southern Trails; or

(4) Guarantee of all fees and charges for three (3) Months' advance service by a person or another entity which does satisfy the credit appraisal.

(ii) Nothing herein shall be read to preclude Southern Trails from requiring, and enforcing for the term of the initial contracts, more than three (3) Months of fees and charges for advance service as security in agreements supporting an application for a certificate to construct new or expanded facilities. For purposes of this paragraph, the term "initial contract" shall include any replacement contract entered into upon a permanent release of Capacity under an initial contract.

(c) Where a Shipper selects the prepayment option under § 9.1(b) of these General Terms and Conditions, the prepayment amounts shall be deposited in an interest-bearing escrow account if such an escrow account has been established by the Shipper which meets the criteria set out in this paragraph. The costs of establishing and maintaining the escrow account shall be borne by the Shipper. The escrow bank must be rated at least AA or better and shall not be affiliated with the Shipper. The escrow arrangement shall provide for the prepayment amounts to be applied against the Shipper's obligation under its service agreements with Southern Trails and shall grant Southern Trails a security interest in such amounts as an assurance of future performance. The escrow agreement shall specify the permitted investments of escrowed funds so as to protect principal, and shall include only such investment options as corporations typically use for short-term deposit of their funds. Such escrow account shall at all times maintain the amount of prepayment required under § 9.1(b) of these General Terms and Conditions. If Southern Trails is required to draw down the funds in escrow, it will notify the Shipper and the Shipper must replenish such funds within three (3) Business Days after such notice.

(d) Southern Trails' credit appraisal procedures involve the establishment of dollar credit limits on a standardized, nondiscriminatory basis. To the extent that a Shipper's accounts with Southern Trails do not exceed such limit, and Shipper has met all creditworthiness requirements as determined in periodic credit reviews by Southern Trails, which reviews may be conducted on at least an annual basis, no new credit appraisals shall be required when an existing Agreement is amended or a request for a new Agreement is made, provided that Shipper's payment history has been

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satisfactory and there is no bona fide basis for questioning Shipper's creditworthiness, subject to the provisions of § 9.2 of these General Terms and Conditions.

(e) Notwithstanding the provisions of § 9.1(b), above, in the event Southern Trails constructs new facilities to provide service, in whole or in part, to a Shipper, Southern Trails may require from the Shipper security in an amount up the Shipper's pro rata share of the cost of such facilities. Security hereunder may be in any of the forms available under § 9.1(b) of these General Terms and Conditions, at Shipper's choice. Southern Trails is only permitted to recover the cost of facilities once, either through rates or through this provision. As Southern Trails recovers the cost of these facilities through its rates, the security required shall be reduced accordingly. Where facilities are constructed to serve multiple Shippers, an individual Shipper's obligation hereunder shall be for no more than its proportionate share of the cost of the facilities. This provision is in addition to and shall not supersede or replace any other rights that Southern Trails may have regarding the construction and reimbursement of facilities.

(f) Southern Trails shall not take any action under this § 9.1 which conflicts with any order of the U.S. Bankruptcy Court.

9.2 Deterioration of Credit.

(a) (i) If at any time Southern Trails reasonably determines, based on adequate information available to it, that a Shipper is no longer creditworthy under this § 9 of these General Terms and Conditions, or if Shipper fails to maintain assurance of future performance under this § 9 of these General Terms and Conditions, Southern Trails may notify such Shipper in writing (which writing shall set forth the basis for Southern Trails' decision) that it has five (5) Business Days to provide Southern Trails with security consistent with this § 9 of these General Terms and Conditions. Such security shall be adequate to cover all charges for one Month's advance service.

(ii) In addition, within thirty (30) Days after such notification, the Shipper must fully comply with the means for adequate assurance of future performance, covering three (3) full Months of advance service from the end of such 30-Day notice period, as provided under this § 9 of these General Terms and Conditions. If the Shipper has not satisfied the requirements in either of the prior two (2) sentences by the end of the specified notice period, Southern Trails may immediately suspend service to Shipper. Southern Trails may terminate service once it has complied with the procedures set forth further in this Section below, including the requisite prior notice.

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(iii) If Southern Trails does not have sufficient information to determine whether a Shipper is creditworthy, it may request additional information in writing from the Shipper consistent with this § 9 of these General Terms and Conditions, and Shipper must provide such information within five (5) Business Days. If Shipper fails to provide the requested information or if Southern Trails determines that the Shipper is not creditworthy based on such information, § 9.2(a) (i) of these General Terms and Conditions shall apply for suspension of service and § 9.2(d) shall apply for termination of service.

(b) Any suspension of service hereunder may continue until Southern Trails is reasonably satisfied that Shipper is creditworthy under this § 9 of these General Terms and Conditions, until Shipper has provided adequate assurance of future performance under this § 9, or until Southern Trails terminates service under § 9.2(d) below.

(c) At any time after a Shipper is determined to be non-creditworthy by Southern Trails, Shipper may initiate a creditworthiness re-evaluation by Southern Trails. Such re-evaluation shall be performed consistent with this § 9 of these General Terms and Conditions. As part of Shipper's re-evaluation request, Shipper must either update or confirm in writing the prior information provided to Southern Trails related to Shipper's creditworthiness. Such update should include any events that Shipper believes could lead to a material change in Shipper's creditworthiness. After Southern Trails' receipt of Shipper's request for re-evaluation, including all required information specified above, within five (5) Business Days, Southern Trails shall provide a written response to Shipper's request. Such written response should include either a determination of creditworthiness status, clearly stating the reasons for Southern Trails' decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of Shipper's request unless specified in this Tariff or if the parties mutually agree to some later date. If Southern Trails determines that Shipper is now creditworthy, any security required under § 9 of these General Terms and Conditions shall be terminated and any prepayment amounts (including any applicable interest) shall be released to Shipper from escrow within five (5) Business Days after such determination.

(d) In addition to or in lieu of suspension, Southern Trails may terminate service if the Shipper fails to provide adequate assurance of future performance consistent with this § 9 of these General Terms and Conditions. Any such termination requires thirty (30) Days' prior notice to Shipper and to the Commission. Such notice may be given simultaneously with the notice provided for under § 9.1(b), above. To avoid termination, the Shipper must satisfy the requirements of § 9.1(b) of these General Terms and Conditions within this notice period.

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(e) Southern Trails may not assess reservation charges to a Shipper for suspended service and a Shipper may not release or recall firm Capacity under service which has been suspended.

(f) In addition to any prior notice provided for above, Southern Trails shall simultaneously notify the Commission in writing of any suspension or termination of service under this § 9.2.

(g) Southern Trails may not take any action under this § 9.2 which conflicts with any order of the U.S. Bankruptcy Court.

9.3 In order to obtain an Agreement under Rate Schedule FT, a Shipper must sign a consent and agreement, in a form acceptable to Southern Trails, to pay all charges under the Agreement to the agent designated by Southern Trails' lenders in the event the Shipper is notified that an event of default has occurred under Southern Trails' loan agreement.

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Superseding: Second Revised Sheet No. 69

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10. PRIORITY, INTERRUPTION OR CURTAILMENT OF SERVICE

10.1 Priority of Service. Shippers shall be entitled to receive service on Southern Trails' system, subject to the availability of pipeline capacity, in the order of priority below:

(a) All firm transportation service nominated from: (1) shipper's primary receipt point to shipper's primary delivery point, (2) shipper's primary receipt point to a DPG containing shipper's primary delivery point (3) an RPG containing shipper's primary receipt point to shipper's primary delivery point and (4) an RPG containing shipper's primary receipt point to a DPG containing shipper's primary delivery point. If available capacity is insufficient to accommodate nominations of Shippers within this priority, the available capacity will be awarded pro rata based on each shipper's nomination up to that shipper's RDC as described by its service agreement.

(b) All firm transportation service nominated from either an alternate receipt point or to an alternate delivery point within the CTP. If available capacity is insufficient to accommodate nominations of these Shippers, the available capacity will be awarded pro rata based on nominations of Shippers within this priority up to that Shipper's RDC as described by its service agreement.

(c) All firm transportation service nominated from either an alternate receipt point or to an alternate delivery point outside the CTP. If available capacity is insufficient to accommodate nominations of these Shippers, the available capacity will be awarded pro rata based on nominations of shippers within this priority up to that Shipper's RDC described by its service agreement.

(d) All interruptible transportation service by rate paid from highest to lowest. Where two or more Shippers are paying the same rate, available capacity will be awarded pro rata on the basis of each Shipper's daily nomination.

(e) All authorized overrun transportation service provided based on the amount requested by each Shipper.

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10.2 Interruption and Curtailment Procedures.

(a) If, due to any cause whatsoever, Southern Trails does not have sufficient capacity in all or part of its transmission system on any day to serve all of its customers, curtailment or interruptions will be instituted in reverse order of priority of classes specified in this section. However, once the gas day commences, all firm Shippers on the affected parts of the transmission system will be curtailed pro rata, regardless of whether gas has been scheduled at a primary or alternate receipt or delivery point.

(b) If curtailment or interruption is required, Southern Trails and Shipper shall cooperate to the extent possible in making adjustments to receipts or deliveries to minimize injury to any property or facilities.

(c) Nothing in this provision shall limit Southern Trails' right to curtail or interrupt service on any other reasonable basis (including pro rata curtailment or interruption within a class of service) in order to ensure system integrity or to reflect the operational characteristics of Southern Trails' system.

10.3 Notice of Interruption. Southern Trails shall provide Shipper as much advance notice of interruption as is possible under the circumstances. Southern Trails will support notification, to be designated by Shipper, and mutually agreed to, through the following channels: (1) available on Questline's shipper web reports and/or (2) up to two internet e-mail addresses provided by Shipper or (3) additional electronic notification specified by Shipper. Such notice shall state the estimated reduced quantities of gas that can be transported.

10.4 Causes. Southern Trails shall have the right, without liability to Shipper, to interrupt or curtail the transportation of gas for Shipper for reasons of force majeure; or when necessary, to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, Southern Trails' pipeline system, or any other reasons necessary for safe and efficient operation of its system. Southern Trails shall endeavor to cause a minimum of inconvenience to Shipper because of such interruptions.

11. USE OF RECEIPT AND DELIVERY POINTS

11.1 Designation of Primary Receipt and Delivery Points. Shipper's primary receipt points must be assigned by the Shipper to corresponding primary delivery points, subject to available capacity. The total RDC assigned to Shipper's receipt points must equal the RDC assigned to the corresponding delivery points. The sum of the receipt point RDC and delivery point RDC must equal the RDC shown in Shipper's Rate Schedule FT service agreement.

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11.2 Adding and Deleting Points or Changing Capacity at Primary Receipt and Delivery Points.

(a) A firm Shipper may add and delete primary receipt and delivery points and increase or decrease its RDC at primary receipt and delivery points, subject to available capacity, by amending its transportation service agreement. A firm Shipper that requests primary firm capacity at a new receipt or delivery point must either (1) release equivalent capacity at one or more existing receipt or delivery points or (2) request and pay for additional primary capacity.

(b) Amendment requests for existing transportation service agreements shall be posted no later than 9:00 a.m. the day nominations are due. Southern Trails will evaluate amendment requests in a timely manner except as limited by § 6.12.

(c) Approved requests to change primary receipt or delivery points or Shipper's RDC will be posted on Questline by 10:00 a.m. on the third business day following the amendment request date except for limitations explained in § 6.12, which will be posted the third business day following the bid period.

(d) Southern Trails will not allow amendments to contracts if the result of the requested amendment impairs Southern Trails' ability to provide firm service. Any capacity at receipt and delivery points that becomes available through the expiration of a firm transportation agreement will be sold according to the bidding procedures outlined in §§ 6 and 8, and shall not be available for primary receipt or delivery point changes unless Southern Trails, without undue discrimination, agrees otherwise.

11.3 Flexible Use of Alternate Receipt and Delivery Points. A firm Shipper, or any replacement Shipper, may flex to or use any receipt or delivery point on an alternate basis at which capacity is available. A replacement Shipper may not add or delete primary receipt and delivery points or change Shipper's RDC at primary receipt and delivery points unless the terms of Shipper's release allow for such.

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11.4 Priority at Alternate Receipt and Delivery Points. A Shipper's priority at alternate points shall be determined according to § 10.

11.5 Rights at Alternate Points. A firm or replacement Shipper must follow Southern Trails' nomination procedures to flex to alternate receipt and delivery points. A firm or replacement Shipper's right to service at alternate receipt and delivery points shall be subordinate to the primary rights of other firm Shippers at those points, but as provided by § 10 to this tariff, will have priority over interruptible transportation and authorized overrun service.

11.6 Right to Renominate. If a firm Shipper or replacement Shipper's nomination at a receipt or delivery point requires bumping of a Shipper currently using that receipt or delivery point, Southern Trails will notify the interrupted Shipper and allow that Shipper to nominate the requested transportation volumes at another receipt or delivery point subject to the intra-day nomination procedures set forth in § 14 of these General Terms and Conditions.

11.7 Availability of Information. Replacement Shippers may obtain information through Questline regarding Southern Trails' ability to provide transportation service between the receipt and delivery points desired by the Replacement Shipper.

#### 12. MEASUREMENT

12.1 References. The following reports and standards stated in this § 12 will be used by Southern Trails when applying measurement practices. Southern Trails may adopt updates to these reports and standards, as amended from time to time.

American Gas Association, AGA Report No. 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Part 2, Specification and Installation Requirements (AGA Report No. 3, Part 2).

American Gas Association, ANSI B109.3, Rotary-Type Gas Displacement Meters (AGA ANSI B109.3).

American Gas Association, Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gases, Transmission Measurement Committee Report No. 8 (AGA Report No. 8).

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American Gas Association, Measurement of Gas by Multipath Ultrasonic Meters, Transmission Measurement Committee Report No. 9 (AGA Report No. 9).

American Gas Association, Measurement of Gas by Turbin Meters, Transmission Measurement Committee Report No. 7 (AGA Report No. 7).

American Petroleum Institute, Manual of Petroleum Measurement Standards Chapter 14, Natural Gas Fluids Measurement, Section 1, Collecting and Handling of Natural Gas Samples for Custody Transfer (API Chapter 14.1).

American Petroleum Institute, Manual of Petroleum Measurement Standards Chapter 14, Natural Gas Fluids Measurement, Section 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, API Standard 2530 (API Chapter 14.3).

American Petroleum Institute, Manual of Petroleum Measurement Standards Chapter 21, Flow Measurement Using Electronic Metering Systems, Section 1, Electronic Gas Measurement (API Chapter 21.1).

Gas Processors Association Standard 2145-03, Table of Physical Constants for Hydrocarbons and Other Compounds of Interest to the Natural Gas Industry (GPA Standard 2145-03).

Gas Processors Association Standard 2172-96, Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis (GPA Standard 2172-96).

Gas Processors Association Standard 2261-00, Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography (GPA Standard 2261-00).

12.2 Use of Measurement. Unless otherwise agreed to by Southern Trails, Southern Trails will install, maintain and operate all measurement stations, which shall be equipped with electronic flow computers or conventional chart recorders and other measurement equipment. The interconnecting operator may install check measurement equipment at its own cost and expense if the equipment is installed in accordance with Southern Trails' specifications and in a manner that will not interfere with the operations of Southern Trails. Gas volumes determined according to this section will be used for billing, balancing, and calculation of fuel use and lost and unaccounted-for gas, etc.

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12.3 Unit of Measurement and Metering Base. The standard reporting basis for Btu is 14.73 psia and 60 degrees F (101.325 kPa, and 15 degrees C, and dry). The standard reporting basis for gigacalorie is 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C, and dry. The standard reporting basis for gas volumes is cubic foot at standard conditions of 14.73 psia, and 60 degrees F, and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa and 15 degrees C, and dry.

12.4 Atmospheric Pressure. For the purpose of measurement, calculation and meter calibration, the average absolute atmospheric (barometric) pressure will be based on the actual altitude at each point of measurement irrespective of variations in natural atmospheric pressure from time to time. When electronic computer measurement is used, the atmospheric pressure will be the barometric pressure calculated for the elevation at the point of measurement.

12.5 Flowing Temperature. The temperature of the gas will be determined at the points of measurement by means of a properly installed recording thermometer or continuous electronic transducer input to a computer (of standard manufacture selected by Southern Trails). When used with orifice meters, the gas temperature device shall be installed and operated, and the gas temperature quantities computed, in accordance with AGA Report No. 3, Part 2, API Chapter No. 21.1, and API Chapter 14.3. When used with turbine meters, the gas temperature device shall be installed and operated, and the gas temperature quantities computed, in accordance with AGA Report No. 7 and API Chapter 21.1. When used with rotary meters, the gas temperature device shall be installed and operated, and the gas temperature quantities computed, in accordance with AGA ANSI B109.3 and API Chapter 21.1. When used with ultrasonic meters, the gas temperature device shall be installed and operated, and the gas temperature quantities computed, in accordance with AGA Report No. 9 and API Chapter No. 21.1.

12.6 Gross Heating Value and Specific Gravity.

(a) The determination of gross heating value and specific gravity will be made from the composition by calculation using physical gas constants for gas compounds as outlined in GPA Standard 2145-03 and GPA Standard 2172-96, with any subsequent amendments or revisions that Southern Trails may adopt.

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(b) Installation, maintenance, and operation of on-line chromatographs or laboratory chromatographs, including sample delivery systems, and composite sample systems, will conform with API Chapter 14.1, and GPA Standard 2261-00 with any subsequent amendments or revisions.

(c) If an on-line gas chromatograph is used, the gross heating value, specific gravity and components for all gas will be determined during the applicable sampling period at that site. Gross heating values, specific gravities and components determined from each analysis will be used in calculating gas on a continuous basis.

(d) If a continuous gas sampling device is used, gross heating value, specific gravity and components for all gas will be determined not less than once every month at that site. Gross heating values and specific gravities determined from spot samples will be used in calculating gas delivered for the day on which the test is made and all following days until the next test is made.

12.7 Supercompressibility. The measurement of gas will be corrected for deviation from Boyle's Law at the pressures and temperatures under which gas is measured by use of the calculation appearing in AGA Report No. 8 at each of the points where the gas is received and delivered as supplemented or amended. Inert content of the metered gas stream used in the AGA Report No. 8, Gross I, Method I, calculations will be determined by a chromatographic analysis using spot sampling when deliveries begin and thereafter by (i) an on-line chromatographic analysis, (ii) chromatographic analysis not less than semiannually or (iii) analysis obtained from a composite sample.

12.8 Measurement. Southern Trails may install orifice, turbine, positive displacement, ultrasonic meters or other measuring devices. They will be installed and operated in accordance with then-approved AGA and API recommendations, where available.

(a) Orifice Meters. All orifice meters will be installed and gas volumes computed according to the standards prescribed in AGA Report No. 3, Part 2 and API Chapter 14.3.

(b) Turbine Meters/Positive Displacement Meters. All turbine meters will be installed and gas volumes computed according to the standards prescribed in AGA Report No. 7 and AGA ANSI B109.3.

(c) Ultrasonic Meters. All ultrasonic meters will be installed and gas volumes computed according to the standards prescribed in AGA Report No. 9.

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(d) Square Root Error. If unacceptable square root error or gauge line error is caused by an interconnecting company's equipment or by a shipper on the interconnecting company pipeline, Southern Trails will refuse to accept gas from the interconnecting pipeline at that location until the problem is corrected. Unacceptable square root error is defined to be equal to or greater than 0.5%. If there is a disagreement over the degree of error between Southern Trails and the operator of the source, a mutually agreeable independent third-party will be requested to determine the source and degree of error. The party deemed responsible for the pulsation source will incur all costs for the consultation and the installation of remedial devices or filtering equipment, as necessary.

(e) New Standards. Southern Trails may adopt the most recent edition of: API Chapter 14.3; AGA Report No. 3, Part 2; AGA Report No. 7; and AGA Report No. 9.

12.9 New Measurement Techniques. If a new method or technique is developed for gas measurement, the new method or technique may be substituted by Southern Trails. Southern Trails will promptly inform all Shippers of any new techniques adopted.

12.10 Rights Concerning Measurement Equipment.

(a) Southern Trails and the operator of any interconnecting facility, in the presence of each other or their contractually designated representative, may have access to the other's measurement equipment at all reasonable times for installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measurement equipment. Only the party owning the equipment may perform these operations, unless otherwise agreed. The failure of either party to witness such operations will not affect the validity of the operations.

(b) The records from measurement equipment will remain the property of the party owning the equipment, but within ten days of a request, each will permit the other party to inspect its records and data, together with related calculations.

(c) The measurement equipment of the operator of the interconnecting facility will be for check purposes only and, except as expressly provided in these General Terms and Conditions, will not be used in the custody measurement of gas.

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12.11 Calibration and Test of Measurement Equipment. Southern Trails will verify the accuracy of all measurement equipment at reasonable intervals. Southern Trails will provide notice of regular inspections and calibrations of measurement equipment and any routine orifice plate changes to the operators of the interconnecting facilities, and the operators or other contractually designated representative of shippers may attend the inspections or plate changes. Southern Trails shall not be required to verify the accuracy of its equipment more frequently than once in a 90-day period. In the event an operator of an interconnecting facility or their contractually designated representative notifies Southern Trails that it desires a special test of any of Southern Trails' measurement equipment, the parties shall cooperate to secure prompt verification of the accuracy of such equipment. Any operator of an interconnecting facility or their contractually designated representative requesting such a special test of Southern Trails' measurement equipment shall bear Southern Trails' out-of-pocket costs of the test if the equipment is found to be accurate within two percent (2%).

12.12 Correction of Measurement Errors. If any measurement equipment is found to be inaccurate, the equipment will be adjusted immediately to measure accurately. If the measurement equipment in the aggregate is found to be inaccurate by two percent (2%) or more at a recording corresponding to the average hourly rate of gas flow for the period since the last preceding test, any payments based upon inaccurate measurement will be corrected at the rate of such inaccuracy for any period that is known definitely or agreed upon. In the case where the period is not known or agreed upon, such correction will be for a period extending over one half of the time elapsed since the date of the last test.

12.13 Failure of Measurement Equipment. If any measurement equipment is out of service or is found registering inaccurately and the error is not determinable by test, or by previous recordings, receipts or deliveries through such equipment will be estimated and agreed to by the parties upon the first of the following methods that is feasible:

(a) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation, or, in the absence of (a);

(b) By using the registration of any check meter or meters, if installed and accurately registering, or, in the absence of (a) and (b);

(c) By estimating the quantity of gas received or delivered based on receipts or deliveries during preceding periods under similar conditions when the measurement equipment was registering accurately.

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12.14 Preservation of Records. Southern Trails will retain data as may be required by appropriate authority.

12.15 Measurement Data Corrections. Measurement data corrections will be processed within six months of the production month with a three-month rebuttal period. This standard will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

12.16 Cut Off. The cut off for the closing of measurement is five business days after the business month.

13. QUALITY OF GAS

13.1 Heat Content. The gas delivered at each of the points of receipt and delivery shall contain a gross heating value of not less than 980 Btu's per cubic foot nor more than 1,150 Btu's per cubic foot.

13.2 Merchantability. The gas shall be commercially free from dust, gums, gum-forming constituents, dirt, impurities or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the pipelines, regulators, meters, or other equipment of Southern Trails. The gas shall also be free of all matter that is deemed hazardous or toxic and is subject to regulation by the Environmental Protection Agency or any State agency having similar jurisdiction or authority.

13.3 Hydrocarbon Dew Point. Shall have a hydrocarbon dew point of no more than 60 degrees Fahrenheit at 800 psig and/or no more condensable hydrocarbons in free liquid form than that which constitutes a wetting of the pipe walls in the lines of the inlet side of any pressure-reducing regulator in the delivery facilities, or in the absence of such regulator no more such free hydrocarbon liquids shall be present in the piping at the point of delivery than that which constitutes a mere dampening of the pipe walls.

13.4 Hydrogen Sulfide. The gas shall not contain more than .25 grain of H<sub>2</sub>S per 100 cubic feet.

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13.5 Total Sulfur. The gas shall not contain more than five grains of total sulfur per Mcf, of which not more than two grains shall be mercaptan sulfur.

13.6 Oxygen. The gas shall not at any time have an oxygen content in excess of ten parts per million by volume, and the parties shall make every reasonable effort to keep the gas free of oxygen.

13.7 Temperature. The gas shall be delivered at a temperature not in excess of 120° Fahrenheit or less than 35° Fahrenheit.

13.8 Inert Substances. The gas shall not contain inert substances of more than three percent by volume, of which CO<sub>2</sub> may not exceed two percent by volume.

13.9 Water Vapor. The gas shall not contain water vapor in excess of seven pounds per million cubic feet.

13.10 Shipper's Failure to Meet Specifications. If any gas tendered for receipt by Southern Trails fails at any time to conform to any of the specifications of this tariff, Southern Trails shall have the right, upon notification to Shipper, to refuse to accept all or any portion of such non-conforming gas until such time as Shipper demonstrates to Southern Trails' satisfaction that the gas meets Southern Trails' quality specifications. Such refusal by Southern Trails to receive non-conforming gas shall not relieve Shipper of any of its obligations under this tariff. Southern Trails may, on a nondiscriminatory basis elect to receive non-conforming gas in such quantities and for such time periods as Southern Trails determines will not jeopardize its ability to meet its obligations to its customers or endanger the safe operation of its transportation system.

13.11 Quality of Southern Trails' Deliveries. Southern Trails shall deliver to Shipper or for Shipper's account gas that is of merchantable quality.

13.12 Commingling. Gas received from Shipper will be commingled with the gas of other Shippers in the system. Accordingly, the gas of Shipper shall be subject to such changes in gross heating value per cubic foot and other specifications as may result from such commingling.

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13.13 Toxic or Hazardous Substances. Gas received from Shipper shall not contain any toxic or hazardous substance in concentrations which, in the normal use of the gas, may be hazardous to health, injurious to pipeline facilities, cause environmental damage or be a limit to merchantability or be contrary to applicable government standards, laws or regulation. Gas tendered by Shipper shall not contain any polychlorinated biphenyls (PCB) and shall be free from any detectable mercury. Shipper shall indemnify and hold Southern Trails harmless from all claims, damages, losses, costs, fines, penalties, liabilities and expenses, including cost of removal, response, remediation or corrective actions incurred by Southern Trails arising from Shipper's gas failing to comply with this 13.13.

14. SCHEDULING OF GAS RECEIPTS AND DELIVERIES

14.1 Daily Scheduling. (NOTE: All times listed below are CCTs.)

(a) Except for intra-day nominations, all nominations shall be considered original nominations and must be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

(b) All nominations shall include Shipper-defined begin dates and end dates. All nominations, excluding intra-day nominations, shall have roll-over options. Specifically, Shippers shall have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of Shipper's contract. Nominations received after nomination deadline shall be scheduled after the nominations received before the nomination deadline.

(c) All parties shall support a seven-days-a-week, 24-hours-a-day Questline service. It is recognized that the success of seven days a week, 24 hours a day Questline service is dependent on the availability of affected parties' scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites, but shall be available by

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telephone or pager. Shippers may tender nominations via facsimile transmission during system down time.

(c) Third Party Account Administrators (3PAD) wishing to provide title transfer tracking (TTT) services on Southern Trails' system shall notify Southern Trails in writing. If the terms are acceptable by both parties, Southern Trails and the 3PAD will enter into an agreement that will describe the points where TTT transactions will be processed by the 3PAD and the coordination of activities between the 3PAD and Southern Trails.

14.2 Nomination Cycles. A Shipper's nomination of gas to be transported commencing at 9:00 a.m. each day shall conform to NAESB Standard 1.3.2(i)-(v). Southern Trails will support the following standard nomination cycles:

(a) Day Prior to Gas Flow:

(i) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by Southern Trails; noon to send quick response; 3:30 p.m. for receipt of completed confirmations by Southern Trails from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Shipper and point operator.

(ii) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by Southern Trails; 6:30 p.m. to send quick response; 9:00 p.m. for receipt of completed confirmations by Southern Trails from upstream and downstream connected parties; 10:00 p.m. for Southern Trails to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from an evening nomination that do not cause another Shipper on Southern Trails' system to receive notice that it is being bumped will be effective at 9:00 a.m. on gas day; and when an evening nomination causes another Shipper on Southern Trails' system to receive notice that it is being bumped, the scheduled quantities shall be effective at 9:00 a.m. on gas day.

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(b) Day of Gas Flow:

(i) The Intraday One Nomination Cycle:  
10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Southern Trails; 10:30 a.m. to send quick response; 1:00 p.m. for receipt of completed confirmations by Southern Trails from upstream and downstream connected parties; 2:00 p.m. for Southern Trails to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).  
Scheduled quantities

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resulting from intraday one nominations shall be effective at 5:00 p.m. on gas day.

(ii) The Intraday Two Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by Southern Trails; 5:30 p.m. to send quick response; 8:00 p.m. for receipt of completed confirmations by Southern Trails from upstream and downstream connected parties; 9:00 p.m. for Southern Trails to provide scheduled quantities to affected Shippers and point operators. Scheduled quantities resulting from intraday two nominations shall be effective at 9:00 p.m. on gas day. Bumping is not allowed during the intraday two nomination cycle.

(iii) For purposes of 14.2(a)(ii) and (b)(i) and (ii) above, "provide" shall mean, for transmittals pursuant to standards 1.4.1 through 1.4.7, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

14.3 Intra-day Nomination Requirements.

(a) As required by 18 C.F.R. § 284.12(b)(1)(i)(A) (2003), Southern Trails shall (1) give scheduling priority to any intra-day nomination submitted by a firm Shipper over nominated and scheduled volumes for interruptible Shippers, (2) provide the interruptible Shipper with advance notice of any reduction in its scheduled volumes resulting from an intra-day nomination by a firm Shipper and (3) notify the interruptible Shipper whether penalties will apply on the day its scheduled volumes are reduced. The only exception to the above is in Intraday 2 Nomination Cycle where bumping does not occur.

(b) Southern Trails will provide notification of bumping, to be designated by Shipper, and mutually agreed to, through the following channels (1) available on Questline's shipper web reports and/or (2) up to two internet e-mail addresses provided by Shipper or (3) additional electronic notification specified by Shipper.

(c) Southern Trails will waive any penalties for bumped interruptible Shippers according to § 14 of these General Terms and Conditions.

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(d) In accordance with 18 C.F.R. § 284.12(b)(1)(i)(B) (2003), an intra-day nomination submitted on the day prior to gas flow will take effect at the start of the gas day at 9:00 a.m.

14.4 Unconfirmed Nominations. Unconfirmed nomination procedures shall conform to NAEBS Standard 1.3.22(i)-(iv) as follows:

(a) With respect to the timely nomination/ confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.

(b) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.

(c) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.

(d) With respect to § 14.4 (a)-(c) above, if there is no response to a Request For Confirmation or an unsolicited Confirmation Response, Southern Trails shall provide the Shipper with the following information to explain why the nomination failed, as applicable:

(i) Southern Trails did not conduct the confirmation;

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(ii) Shipper is told by Southern Trails that the upstream confirming party did not conduct the confirmation;

(iii) Shipper is told by Southern Trails that the upstream Shipper did not have the gas or submit the nomination;

(iv) Shipper is told by Southern Trails that the downstream confirming party did not conduct the confirmation;

(v) Shipper is told by Southern Trails that the downstream Shipper did not have the market or submit the nomination.

This information shall be imparted to the Shipper on the Scheduled Quantity document.

14.5 Nomination Standards and Requirements.

(a) Intra-day nominations may be used to nominate new supply or market and request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. Intra-day nominations do not rollover (i.e., intra-day nominations span one day only). Intra-day nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if intra-day nomination modifies existing nomination.

(b) Overrun quantities shall be requested on a separate transaction.

(c) All nominations, including intra-day nominations, shall be based on a daily quantity; thus, an intra-day nominator need not submit an hourly nomination. Intra-day nominations shall include an effective date and time. The interconnected parties shall agree on the hourly flows of the intra-day nomination, if not otherwise addressed in Shipper's contract or tariff.

15. BALANCING OF GAS

15.1 General Provision.

(a) Shipper shall monitor and control its receipts and deliveries of gas and, if necessary, make appropriate

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adjustments in order to maintain a thermal balance of receipts and deliveries.

(b) Southern Trails shall monitor, to the extent of its ability, receipts and deliveries of gas as compared to quantities nominated by Shipper, and, based upon available information, advise Shipper of any imbalances. Upon notification, Shipper shall be obligated to adjust its receipts and deliveries to correct or avoid any imbalance between nominations and actual receipt or delivery. Any adjustment to receipts and deliveries by Shipper, whether or not pursuant to notification from Southern Trails, shall be coordinated with Southern Trails' Customer Service representatives and in accordance with Southern Trails' scheduling procedures.

15.2 Daily Operating Tolerance. A Shipper must maintain a daily thermal balance between receipts and deliveries within the  $\pm 2.5\%$  daily imbalance tolerance.

Southern Trails will notify a Shipper upon determination that the Shipper's receipts and deliveries exceed the  $\pm 2.5\%$  daily imbalance tolerance. After notification by Southern Trails that an adjustment is necessary to keep its system in balance, a Shipper will be afforded reasonable opportunity to remedy its imbalance consistent with existing operational conditions. If the imbalance is not corrected within the time specified, Southern Trails will take whatever action it deems necessary to remedy the imbalance situation. Southern Trails will make daily imbalance information available through Questline each day for the prior gas day.

If required to maintain operational stability and system integrity, Southern Trails will adjust all receipts and deliveries on its system, even if Shippers are within the  $\pm 2.5\%$  imbalance tolerance limits.

Adjustments at each transmission transfer meter will be made according to the applicable Operational Balancing Agreement (OBA) or pre-determined allocation arrangement (PDA) with operators upstream and downstream of Southern Trails' transmission system. Absent an OBA or PDA, adjustments will

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be made pro rata according to each Shipper's scheduled daily nomination.

No imbalance penalty will be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

15.3 Monthly Balancing.

(a) A Shipper must maintain a monthly balance between net receipts (receipts less lost and unaccounted-for gas) and deliveries within the  $\pm$  2.5% imbalance tolerance.

(b) For the determination of monthly imbalances, Shippers' receipt or delivery volumes shall be allocated according to the upstream or downstream operator's OBA. Absent an OBA or PDA, volumes will be allocated pro rata based on each Shipper's scheduled nomination.

(c) When adjustments become operationally necessary, adjustments at each receipt or delivery point will be determined according to the OBA or PDA in place at the time the volumes were received or delivered. Absent an OBA or PDA, adjustments will be pro rata according to each Shipper's daily scheduled nomination.

(d) Southern Trails will make monthly imbalance information available to all Shippers through Questline on or before the 9th business day of each month following the month during which gas was transported. An imbalance statement will be tendered to Shipper with Shipper's monthly bill issued according to § 16 of these General Terms and Conditions.

(e) At the end of each calendar month where Shipper's net transportation receipts (receipt Dth less fuel and lost-and-unaccounted-for) do not equal deliveries on a Dth basis, the following procedures will apply:

(i) Shipper's imbalances under each FT and IT agreement will be netted together for monthly imbalance calculations. Each month on or before the 9th business day, Southern Trails will provide imbalance statements and information on its website indicating the resulting monthly imbalance incurred in the prior month.

(ii) Following posting of the monthly imbalance for the prior month, Shippers will then have through the last

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day of the current month to remedy any imbalance exceeding the imbalance tolerance. To remedy an imbalance, Shippers will have the ability to trade imbalances pursuant to § 15.4 or pay back the imbalance in the current month pursuant to § 15.5.

(iii) At the end of the month in which the imbalance for the prior month was posted and after all imbalance trades and pay back have been entered, Shipper will be cashed out, pursuant to § 15.6, for any remaining imbalance that exceeds the imbalance tolerance.

15.4 Imbalance Trading.

(a) Shipper will be able to trade imbalances with other Shippers that have an imbalance that will reduce each Shipper's imbalance.

(b) All imbalance trading must be conducted through Questline. If Shipper desires to trade imbalances on Questline, Shipper must consent to Southern Trails releasing to others, on Questline, Shipper's monthly imbalance information.

(c) Once Shippers have agreed to trade their imbalances, each Shipper must notify Southern Trails by completing an imbalance trading notice on Questline. This notice to Southern Trails will be deemed to be the Shipper's direction to Southern Trails to make the imbalance trade on the Shipper's account. If the Shipper's notices coincide, Southern Trails will adjust Shipper's accounts to reflect the imbalance trade.

(d) Shippers are responsible for making whatever arrangements they deem necessary to finalize and document the imbalance trade among themselves.

(e) Southern Trails shall not be liable for any losses incurred by a Shipper if a Shipper is unable to complete an imbalance trade once Shipper has notified Southern Trails of the imbalance trade.

15.5 Imbalance Payback Option. Subject to available transportation capacity, operational constraints and approval by Southern Trails during the remainder of the month after notification of its monthly imbalance, a Shipper may eliminate its prior month's imbalance through either a physical payback or take of gas in lieu of or in connection with imbalance trading. Nominations to reduce the previous monthly imbalance

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must be specifically designated for that purpose. Southern Trails will consider each Shipper's request to exercise its option under this section and will, on a nondiscriminatory basis, and subject to prudent operational practices, honor the request.

15.6 Cash Out. All remaining imbalances that exceed the imbalance tolerance at the end of the month will be subject to the following cashout provisions. However, if Shipper cannot cure an imbalance due to force majeure, Southern Trails will extend the time period for the Shipper to pay back an imbalance for a period equal to the length of the force majeure event.

(a) Cashout volumes are those volumes that exceed the  $\pm 2.5\%$  imbalance tolerance at the end of the month following the month the imbalance occurred less any imbalance trades and specific payback volumes. The cashout process will reduce the Shippers imbalance to be within the imbalance tolerance upon payment or credit of the cashout amount.

(b) Shippers' imbalance that exceeds the imbalance tolerance shall be cashed out at a price calculated by multiplying the portion that exceeds the imbalance tolerance by the applicable rates as determined in the subsection below.

(c) Southern Trails will use the "Inside FERC Gas Market Report" first-of-the-month posting for the San Juan Basin delivered into El Paso Natural Gas Company published for the first of the month following final determination of the cashout volume to set an index price. If "Inside FERC Gas Market Report" ceases publication or to the extent prices are not reported, Southern Trails will select a similar index or publication and notify Shippers of the selection via Questline. The cashout price will be the index price multiplied by a premium factor for volumes due Southern Trails or a discount factor for volumes due Shipper. The premium or discount factor will be according to the tiered schedule below:

Imbalance Level	Due Southern Trails	Due Shipper
Greater than 2.5% up to 5%	Index * 1.20	Index * 0.80
Greater than 5% up to 7%	Index * 1.30	Index * 0.70
Greater than 7% up to 10%	Index * 1.40	Index * 0.60
Greater than 10% up to 15%	Index * 1.60	Index * 0.40

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**First Revised Sheet No. 89** First Revised Sheet No. 89 : Effective  
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Greater than 15% Index \* 1.70 Index \* 0.30

(d) Southern Trails shall credit the account of Shipper for any cashout amounts due Shipper for imbalances due Shipper.

(e) Shipper shall pay Southern Trails for any cashout amounts due Southern Trails for imbalances due Southern Trails.

(f) Upon payment or crediting of the appropriate cashout amounts, Shipper's imbalance will be reduced by the amount that exceeds the imbalance tolerance.

15.7 Credit of Penalty and Cashout Revenues. Any penalty or cashout revenues that exceed gas purchase and applicable costs will be credited to all non-offending Shippers in proportion to the revenue contribution from each non-offending shipper during the annual period of January through December. If gas purchase and applicable costs exceed revenues, the costs exceeding revenues will be rolled into subsequent annual costs, as an offset to revenues, until eliminated. Any excess revenues collected for the period January through December will accrue interest from the date of collection until the date credited, using the current Federal Energy Regulatory Commission interest rate as defined in 18 C.F.R. Section 154.501(d) and be credited to Shippers' invoices within 90 days from the end of each calendar year.

15.8 Imbalances on Inactive Contracts. If Shipper fails for a period of 60 days to make a nomination on an existing service agreement with an outstanding imbalance, Southern Trails shall, after notification to Shipper either purchase or sell Shipper's imbalance inclusive of the 2.5% imbalance tolerance under 15.6 and any excess revenues will be credited according to 15.7 above.

15.9 Balancing at Service Agreement Termination. Following the termination of its agreement, Shipper shall correct any remaining cumulative imbalance in receipts and deliveries within 30 days after notification by Southern Trails that an excess or deficiency exists. If at the end of the 30-day period there remains an imbalance that has not been eliminated by Shipper, Southern Trails shall purchase or sell Shipper's imbalance inclusive of the 2.5% imbalance tolerance under 15.6 and any excess revenues will be credited according to 15.7 above.

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*FERC Docket: RP10-332-000*

**First Revised Sheet No. 90** First Revised Sheet No. 90  
Superseding: Original Sheet No. 90

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15.10 Unauthorized Receipt or Delivery of Gas. If a Shipper delivers gas to Southern Trails or takes gas from Southern Trails and (i) has made no nomination under an existing service agreement or (ii) has no valid service agreement, then Southern Trails may impose the unauthorized overrun charge set forth on the Statement of Rates. In addition, upon determination that such unauthorized action has been taken by a Shipper, Southern Trails may take action to terminate such unauthorized use of its system.

15.11 Imbalances with Other Parties. Southern Trails shall not be responsible for eliminating any imbalances between Shipper and any other party, including without limitation any volume imbalances that accrue between distribution companies and specific end users or between producers and distribution companies or end users. Furthermore, Southern Trails shall not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate any such imbalances or deficiencies.

15.12 Third Party Imbalance Management. Southern Trails will allow Shippers to obtain imbalance-management service from a third-party provider (TPP) subject to the following:

(a) All transactions involving the physical payback of gas or trading of imbalances on Southern Trails' system must comply with the terms and conditions of Southern Trails' tariff.

(b) The trading or curing of imbalances may only involve procedures that are provided for in Southern Trails' tariff.

(c) Shippers will not be permitted to trade imbalances in any manner that will increase a Shipper's imbalance on Southern Trails' system.

(d) Trading of imbalances may only be between imbalances on Southern Trails' system.

(e) When a Shipper desires to physically repay or take deliveries of gas, either the Shipper or the TPP must have the necessary transportation, receipt and delivery point capacity to allow for the delivery of the gas.

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**First Revised Sheet No. 91** First Revised Sheet No. 91  
Superseding: Original Sheet No. 91

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(f) Neither the Shipper nor the TPP may transport or trade gas to which they do not hold title.

(g) Shipper shall remain primarily liable for its imbalances under the provisions of § 15 of Southern Trails' tariff governing the curing of imbalances.

(h) The TPP will not be permitted to act as a Shipper's agent until Southern Trails has received written notice from Shipper. Shipper agrees to be bound by all transactions conducted by the TPP in the Shipper's name.

15.13 Maintenance of System Integrity. Nothing in this section limits Southern Trails' right to take action as may be required, including the issuance of OFOs, to adjust receipts and deliveries of gas in order to alleviate conditions that threaten the integrity of its system, including maintenance of service to higher priority customers. The declaration to the affected parties of OFOs, critical periods, and/or critical notices shall describe the conditions and the specific responses required from the affected parties.

15.14 Incidental Purchase and Sale. Southern Trails is not providing a supply service under any rate schedule of this Tariff. Southern Trails may buy and sell gas to the extent necessary to maintain system pressure, to maintain line pack and provide additional line pack for new facilities, to implement the cashout procedures, and perform other functions in providing transportation services.

16. BILLING AND PAYMENT

16.1 Billing Schedule. On or before the 9th business day of each month, Southern Trails shall furnish to Shipper a monthly statement of the total payment due for the transportation of gas during the preceding month (including any other applicable charges). Unless otherwise agreed, transportation invoices shall state the net billing rate, rather than the maximum discount tariff rate and the discount amount. Imbalance statements shall be generated at the same time or prior to the generation of the transportation invoice. Shipper's imbalance statement will be included in this billing. Invoices shall be based on actuals (if available) or best available data. Quantities at points where OBAs exist shall be invoiced based on scheduled quantities.

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**First Revised Sheet No. 92** First Revised Sheet No. 92 : Effective  
Superseding: Original Sheet No. 92

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16.2 Additional Facilities Charges. On or before the 9th business day of each month, Southern Trails shall bill Shipper for any applicable additional facility charges due according to the executed transportation service agreement between Southern Trails and Shipper.

16.3 Shipper Controlled Information. When information necessary for billing purposes is in the control of Shipper, Shipper shall furnish such information to Southern Trails on or before the 5th business day of the month with respect to deliveries of gas during the previous month.

16.4 Right to Audit. Shipper and Southern Trails shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation made under or pursuant to any of the provisions.

16.5 Payment Due Date. Shipper shall pay Southern Trails, at its general office, or at such other address as Southern Trails shall designate, the amount due for the preceding month within ten days after receipt by Shipper of the bill from Southern Trails. The party making payment shall submit supporting documentation; the party receiving payment shall apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail shall be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two business days of the payment date. The party making payment shall identify invoice numbers on all payments.

16.6 Failure to Pay.

(a) If Shipper fails to make timely payment of any part of the amount of any bill, the unpaid amount shall be deemed late, and Southern Trails shall charge interest from the date payment is due until the actual date of receipt of payment. The interest shall be compounded quarterly until paid.

(b) Interest shall be calculated at the current rate prescribed by 18 C.F.R. § 154.501(d).

(c) Southern Trails shall bill Shipper for any interest due in its next billing to Shipper, and Shipper will pay the amount due according to this section. Southern Trails

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may waive the interest on late payment made within five days of the due date. If an uncontested bill remains unpaid for 30 days or more after payment is due, Southern Trails, in addition to any other remedy it may have, may, after giving Shipper 15 days' written notice, suspend further receipt and delivery of gas for Shipper until full payment for all service rendered to date is made.

(d) Southern Trails will be entitled to recover any reasonable expenses, costs or attorney's fees incurred to recover amounts owed for transportation services rendered by Southern Trails from a defaulting party.

16.7 Contested Billing. Any billing or statement may be contested within 180 days from its receipt by Shipper. If an invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. Southern Trails shall have 90 days to provide its rebuttal. This time limit shall not apply in cases of deliberate omission, misrepresentation or mutual mistake of fact.

If Shipper (i) contests all or any part of a bill in good faith, (ii) pays to Southern Trails the amounts it concedes to be correct, (iii) provides documentation identifying the basis of the dispute and (iv) within 30 days of a demand made by Southern Trails, furnishes a surety bond guaranteeing payment in the amount of the disputed portion of the bill, then Southern Trails may not suspend further delivery of gas unless default has occurred under the conditions of the bond. No payment by Shipper of the amount of a disputed bill shall prejudice the right of Shipper to claim an adjustment of the disputed bill. Shipper shall pay interest on disputed portions of a bill for which Shipper has withheld payment, and which ultimately are found due, according to the provisions of this tariff.

16.8 Billing Errors. If an error is discovered in the amount of any bill, the error shall be adjusted within 30 days of the determination that an adjustment is required, provided that the claim for adjustment shall have been made within 180 days from the date of the bill. If it is determined that Shipper has been overcharged, and Shipper has paid the statement containing the overcharge, then, within 30 days after the final determination, Southern Trails shall refund the amount overcharged with interest. If it is determined that Shipper has been undercharged, Shipper shall pay the amount undercharged with interest calculated as prescribed by 18 C.F.R. § 154.501(d) within 30 days of notice by Southern Trails of the amount. In the event that any portion of a statement is in dispute, payment of the disputed portion shall

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not be deemed a waiver of the right to contest such disputed portion in any forum having jurisdiction.

16.9 Prior-Period Adjustments. Prior-period adjustment time limits shall be six months from the date of the initial transportation invoice and seven months from date of initial sales invoice with a 3-month rebuttal period, excluding government-required rate changes. This standard shall not apply in cases of deliberate omission, misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

16.10 Billing For Released Capacity.

(a) A releasing Shipper will be billed the reservation charges associated with the entire amount of the releasing Shipper's RDC. A conditional credit for the payment of either volumetric or reservation-charge capacity releases will be applied to the releasing Shipper's bill if, when required, the releasing Shipper has provided the billing information set out in 16.3. The releasing Shipper will also be billed any negotiated marketing fee.

(b) Southern Trails will bill the replacement Shipper based on the rates specified in the transportation service agreement and any other applicable charges. The replacement Shipper must pay the billed amount directly to Southern Trails.

(c) If a replacement Shipper fails to pay Southern Trails, Southern Trails will notify the releasing Shipper that the conditional credit has been reversed and of the amount due, including interest calculated in accordance with 18 C.F.R. 154.501(d). This amount must be paid by the releasing Shipper. If the replacement Shipper subsequently pays Southern Trails, Southern Trails will credit the amount received to the releasing Shipper.

16.11 Crediting of Interruptible and Overrun Revenues.

(a) Southern Trails will credit Rate Schedule FT Shippers with 90 percent of all Rate Schedule IT transportation and Overrun service revenues during each twelve-month period beginning June 1 of each year and ending May 31 of each subsequent year. All credits to Rate Schedule FT Shippers shall be net of variable costs.

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(b) The credit shall be calculated pro rata based on each Shipper's RDC payments (exclusive of surcharges) during each applicable twelve-month period and shall be reflected on each Shipper's monthly bill within three months following the end of each twelve-month period. Any payments made under this provision shall include interest at the rate specified in 18 C.F.R. 154.501(d) accruing from the end of the twelve-month accounting period until payment is made.

(c) Southern Trails shall not credit to Rate Schedule FT Shippers any revenues resulting from interruptible transportation service made possible through a system expansion, or from the occurrence of other costs that are not included in firm charges set forth on the Statement of Rates.

17. FORCE MAJEURE

17.1 Notice of Intent. If, by reason of an event of force majeure, either Southern Trails or Shipper is rendered unable, wholly or in part, to perform its obligations under a transportation service agreement, other than to make payments when due, and if the party gives notice of the event within a reasonable period of time and provides full particulars of the event either in writing, by facsimile or via electronic means after the occurrence of an event of force majeure, nonperformance of the party giving the notice shall be excused during the continuance of the event and to the extent its performance is affected by the event. The party claiming force majeure shall use due diligence to remedy its nonperformance as soon as possible, including the making of provision for any alternate performance as may be economical and practical.

17.2 Discharge of Obligations. No event of force majeure affecting the performance by Southern Trails or Shipper shall relieve the party of liability in the event of failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments as determined under the applicable rate schedule. Any event of force majeure which results in Southern Trails' inability to transport all or any portion of Shipper's gas or any event of force majeure which results in Shipper's inability to tender gas to Southern Trails for transportation shall not operate to suspend or otherwise affect in any way Shipper's obligation to pay the applicable reservation charge

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except as provided in 3.1(a)(v) of Rate Schedule FT. During any period when receipts are suspended in whole or in part due to force majeure as defined above, Southern Trails may use excess capacity created thereby to transport or exchange any other volumes of gas made available to it. Such use of excess capacity shall not interfere with Shipper's right to have its gas transported.

18. LIABILITY

Southern Trails shall only be liable for gas losses or damages or injuries arising directly from the services provided by Southern Trails that are caused solely from the gross negligence or willful misconduct of Southern Trails. Southern Trails shall not be liable for any loss, damage or injury due to force majeure, Shipper negligence, or actions taken by Southern Trails to minimize damage to its facilities or to protect the operational integrity of its pipeline system or for losses which are covered under any insurance policy of Shipper. In no event shall Southern Trails be liable for any incidental or consequential damages of any kind.

19. WARRANTIES

Shipper warrants that it will have at the time of delivery of the gas to Southern Trails for transportation, title or right to deliver the gas for transportation. Shipper warrants that its gas meets the gas quality requirements of 13. Shipper further warrants that the gas it delivers shall be free and clear of all liens, encumbrances, and claims whatsoever. Shipper agrees to indemnify Southern Trails and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from any breach of its warranties and any adverse claims of any person to the gas or to royalties, taxes, license fees, or charges which are applicable to such delivery of gas. Shipper further agrees that it will indemnify Southern Trails and save it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by the party making delivery.

20. WAIVERS

No waiver by Southern Trails or Shipper of any one or more defaults in the performance of any provision hereunder shall operate or be construed as a waiver of any future

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default or defaults, whether of a like or a different character.

21. REGULATIONS

Any transportation service agreement incorporating these General Terms and Conditions, and all terms and provisions included in these General Terms and Conditions, and the respective obligations of Southern Trails or Shipper are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction. Nothing shall, or is intended to, restrict, enlarge or affect in any other way the jurisdiction of the FERC.

22. ASSIGNMENTS

Southern Trails may pledge or charge its interest under a transportation service agreement under the provisions of any mortgage, deed of trust, indenture, security agreement, loan agreement, or similar instrument which it executes. Shipper shall not assign any of its rights under a transportation service agreement incorporating these General Terms and Conditions unless it first shall have obtained the consent of Southern Trails in writing and the assignment does not conflict with FERC regulations and policies. Shipper may not pledge or charge its interest under a transportation service agreement under the provisions of any mortgage, deed of trust, indenture, security agreement, loan agreement or similar instrument which it executes without the consent in writing of Southern Trails. No person which succeeds by purchase, merger or consolidation to the properties of Shipper shall be entitled to any part of the interest of Shipper under its transportation service agreement without the written consent of Southern Trails.

23. SHIPPER'S FAILURE TO COMPLY WITH TERMS

If Shipper fails to comply with the terms of its transportation service agreement and the General Terms and Conditions of this tariff, Southern Trails will, after obtaining appropriate abandonment authorization from the Commission, terminate service to Shipper.

24. FACILITIES CONSTRUCTION AND REIMBURSEMENT

24.1 Payment for Facilities. If Southern Trails installs facilities at the request of a Shipper, that Shipper shall

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make full payment to Southern Trails for the additional facilities, except as may otherwise be provided in the Shipper's transportation service agreement.

Shipper's payment to Southern Trails shall include the full cost of the facility, the tax burden created by the payment as well as the tax-on-tax effect generated by the payment. Reimbursement for federal income taxes on Shipper's payment will be computed by first determining the tax-on-tax effect, and then deducting the present value of the future tax benefit provided by the future depreciation of plant involved in the payment.

The tax-on-tax effect will be determined by the product of (a) the dollar amount qualifying as a contribution in aid of construction under the Tax Reform Act of 1986 and (b) the "tax rate" divided by one minus the tax rate: i.e.

$$\frac{\text{Tax Rate}}{1 - \text{Tax Rate}}$$

The present value of the tax benefit provided by the future depreciation of plant shall be calculated by Southern Trails according to the present value formula shown in 6 to these General Terms and Conditions. Shipper shall have no ownership interest in the additional facilities installed by Southern Trails. Southern Trails may require the Shipper to pay additional costs, including the tax burden created by the value of the facilities constructed by the Shipper or third parties as well as the tax-on-tax effect generated by such payment.

24.2 Limitations. This 24 pertains to facilities at receipt and delivery points only. It is not intended to limit any party's ownership, operation, installation or payment for facilities upstream of a receipt point or downstream of a delivery point. It is the Shipper's responsibility to assure that all facilities installed and owned by Shipper or any other party upstream of a receipt point or downstream of a delivery point comply with all applicable governmental regulations and design requirements for their intended use (i.e., pressure, control, etc.).

25. SYSTEM OPERATION

Southern Trails may take such action as reasonably necessary to prevent damage to or material deterioration of

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its transmission system and to maintain the operational integrity of the system.

26. ANNUAL CHARGE ADJUSTMENT

26.1 Purpose. Southern Trails is assessed an annual charge by the FERC to reimburse the United States Treasury for costs incurred by the FERC, other than costs incurred in the administration of Part I of the Federal Power Act, not covered by filing fees. To enable Southern Trails to recover this annual charge, this section establishes an Annual Charge Adjustment to be applicable to Southern Trails' rate schedules as set forth on the Statement of Rates.

26.2 Basis of Annual Charge Adjustment. The rates specified on the Statement of Rates shall include an adjustment for the annual charge. The adjustment shall be a base increment specified annually by the FERC at the time the FERC calculates the annual charge bills and shall be adjusted to Southern Trails' pressure base and heat content, if required.

26.3 Accounting Procedure. Southern Trails will account for annual charges paid by charging the amount to Account No. 928, Regulatory Commission Expenses, of the Commission's Uniform System of Accounts. It is Southern Trails' intent not to recover any annual charges recorded in FERC Account No. 928 in an NGA 4 rate case.

26.4 Filing Procedure. Filings by Southern Trails to change the Annual Charge Adjustment shall be made at least 30 days prior to the proposed effective date, with this period inclusive of 30 days' notice, unless, for good cause shown, lesser periods are allowed by valid Commission order. Any filing by Southern Trails pursuant to this section shall not become effective until the filing has been approved by the Commission and Southern Trails has made payment of the annual charge.

26.5 Payment. Southern Trails shall remit to the FERC, within 45 days of the issuance of the bill by the Commission, payment of the annual charge assessed Southern Trails unless Southern Trails has filed a petition under 18 C.F.R.

154.402. Payment must be made to the United States Treasury.

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Superseding: Second Revised Sheet No. 100

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27. OPERATIONAL FLOW ORDERS (OFO)

27.1 Declaration of OFOs. The declaration to the affected parties of OFOs, critical periods, and/or critical notices shall describe the conditions and the specific responses required from the affected parties.

27.2 Notice Procedures of OFOs. Upon issuance of an OFO, notification will be posted on Southern Trails' Informational Postings and Southern Trails will support further notification, to be designated by Shipper, and mutually agreed to, through the following channels: (1) up to two internet e-mail addresses provided by Shipper or (2) additional electronic notification designated by Shipper. The notice shall specify (i) the time and date of issuance of the notice, (ii) the actions that affected Shippers are required to take, (iii) the nature of the problem sought to be addressed, (iv) the time by which affected Shippers must comply with the OFO, (v) the anticipated duration of the OFO (unless otherwise indicated in the notice, the OFO will remain in effect until Southern Trails contacts the affected Shippers) and (vi) any other conditions. Shippers must notify Southern Trails of the name and telephone number of a person who will be available on a 24-hour basis to receive notice of the issuance of an OFO.

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**Substitute Fourth Revised Sheet No. 101** Substitute Fourth Revised Sheet No. 101  
Superseding: Fourth Revised Sheet No. 101

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28. NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB) STANDARDS

NAESB Standards are business practices and electronic communication standards promulgated by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) and adopted and codified by the Commission in § 284.12 of its Regulations.

Southern Trails specifically incorporates by reference into this FERC Gas Tariff, Version 1.8 of the following NAESB definitions, standards and datasets:

0.2.1 through 0.2.3, 0.3.1, 0.3.2, 0.3.3 through 0.3.10, 0.3.11 through 0.3.15, 0.4.1, 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.8 through 1.2.19, 1.3.2(vi), 1.3.8, 1.3.14 through 1.3.18, 1.3.20, 1.3.21, 1.3.23 through 1.3.25, 1.3.27 through 1.3.32, 1.3.34 through 1.3.77, 1.3.79, 1.4.1 through 1.4.7, 2.2.2 through 2.2.5, 2.3.1 through 2.3.6, 2.3.8, 2.3.10 through 2.3.13, 2.3.15 through 2.3.23, 2.3.25 through 2.3.35, 2.3.40 through 2.3.65, 2.4.1 through 2.4.18, 3.1.1, 3.1.2, 3.3.1 through 3.3.8, 3.3.10 through 3.3.14, 3.3.16, 3.3.20 through 3.3.26, 3.4.1 through 3.4.4, 4.1.2 through 4.1.4, 4.1.6, 4.1.7, 4.1.10, 4.1.12, 4.1.13, 4.1.15 through 4.1.24, 4.1.26 through 4.1.40, 4.2.1 through 4.2.20, 4.3.1 through 4.3.3, 4.3.5, 4.3.16 through 4.3.18, 4.3.20, 4.3.22 through 4.3.36, 4.3.38 through 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.76, 4.3.78 through 4.3.87, 4.3.89 through 4.3.93, 5.1.1 through 5.1.4, 5.2.2, 5.2.3, 5.3.5, 5.3.7 through 5.3.15, 5.3.17 through 5.3.24, 5.3.26 through 5.3.30, 5.3.33 through 5.3.43, 5.3.46 through 5.3.52, 5.3.55, 5.3.56, 5.3.58 through 5.3.60, 5.4.1 through 5.4.23, 6.3.3, 6.3.4, 6.5.2, 10.2.1 through 10.2.38, 10.3.1 and 10.3.3 through 10.3.25.

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GENERAL TERMS AND CONDITIONS

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**First Revised Sheet No. 106** First Revised Sheet No. 106 : Effective  
Superseding: Original Sheet No. 106  
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Sheet Nos. 106 through 107 have been reserved for future use.

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Original Sheet No. 107 Original Sheet No. 107 : Effective

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- 4.3.80 - Version 1.4
- 4.3.81 - Version 1.4
- 4.3.82 - Version 1.4
- 4.3.83 - Version 1.4
- 4.3.84 - Version 1.4
- 4.3.85 - Version 1.4

28.12 Capacity-release standards:

- 5.1.1 - Version 1.4
- 5.2.2 - Version 1.4
- 5.3.5 - Version 1.4
- 5.3.7 - Version 1.4
- 5.3.8 - Version 1.4
- 5.3.9 - Version 1.4
- 5.3.10 - Version 1.4
- 5.3.11 - Version 1.4
- 5.3.12 - Version 1.4
- 5.3.13 - Version 1.4
- 5.3.14 - Version 1.4
- 5.3.15 - Version 1.4
- 5.3.17 - Version 1.4
- 5.3.18 - Version 1.4
- 5.3.19 - Version 1.4
- 5.3.20 - Version 1.4
- 5.3.21 - Version 1.4
- 5.3.22 - Version 1.4
- 5.3.24 - Version 1.4
- 5.3.26 - Version 1.4
- 5.3.27 - Version 1.4
- 5.3.28 - Version 1.4
- 5.3.29 - Version 1.4
- 5.3.30 - Version 1.4
- 5.3.31 - Version 1.4
- 5.3.32 - Version 1.4
- 5.3.33 - Version 1.4
- 5.3.34 - Version 1.4
- 5.3.35 - Version 1.4
- 5.3.36 - Version 1.4
- 5.3.37 - Version 1.4
- 5.3.38 - Version 1.4
- 5.3.39 - Version 1.4
- 5.3.40 - Version 1.4
- 5.3.41 - Version 1.4
- 5.3.42 - Version 1.4

28.13 Capacity-release, data-dictionary standards:

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**Second Revised Sheet No. 108** Second Revised Sheet No. 108 : Effective  
Superseding: First Revised Sheet No. 108

GENERAL TERMS AND CONDITIONS

29. STANDARDS OF CONDUCT

Southern Trails is an interstate natural gas pipeline company that transports natural gas for others pursuant to Subparts B and G of Part 284 and is or may be affiliated, as that term is defined in 18 C.F.R. § 358, with a marketing or energy affiliate. This section provides the information and procedures required by 18 C.F.R. § 250.16(b).

29.1 Shared Personnel and Facilities.

(a) Southern Trails is a wholly owned subsidiary of Questar Pipeline Company. Questar Pipeline Company is a wholly owned subsidiary of Questar Regulated Services Company. Questar Regulated Services Company and Questar Pipeline Company employees provide gas control, accounting, regulatory, legal and other services for Southern Trails. Neither Questar Pipeline Company, Questar Regulated Services Company nor

Effective Date: 01/23/2006 Status: Effective  
FERC Docket: RP06-154-000

**First Revised Sheet No. 109** First Revised Sheet No. 109 : Effective  
Superseding: Substitute Original Sheet No. 109  
GENERAL TERMS AND CONDITIONS

Southern Trails share operating personnel with any marketing or energy affiliate.

(b) Southern Trails shares no position of common responsibility with its marketing or energy affiliate. The affiliated marketer leases office space in the same office building as Southern Trails at 180 East 100 South, Salt Lake City, Utah 84111.

(c) Except as noted in (a) and (b) above, Southern Trails shares no facilities or operating personnel with any affiliated marketing or energy affiliate company for which Southern Trails conducts any transportation transactions.

29.2 Procedures for Resolving Complaints by Shippers. If a Shipper has a concern relating to any request for transportation service or any ongoing transportation service, Shipper may request a Shipper inquiry form, an example of which is set forth in this Tariff at Sheet No. 119. Shipper shall complete the inquiry form and return it to:

Questar Southern Trails Pipeline Company  
Senior Vice President  
180 East 100 South  
Salt Lake City, UT 84111  
FAX: (801) 324-2684

Southern Trails shall respond initially within 48 hours of receipt of Shipper's inquiry. Each inquiry will be noted on the transportation request log. Each inquiry shall be investigated, and Southern Trails shall inform Shipper in writing within 30 days of receipt of Shipper's inquiry of any action taken. Southern Trails shall maintain a separate file for all Shipper inquiries and Southern Trails' responses.

### 30. FUEL REIMBURSEMENT

(a) Application. All gas tendered by Shipper for transportation under Rate Schedules FT and IT, or negotiated rate agreements, shall be subject to in-kind reimbursement, as posted on Southern Trails Web site for gas consumed in transmission-system operations and for lost-and-unaccounted-for gas. The fuel-gas reimbursement percentage (FGRP), shall be displayed on Southern Trails' informational postings for each month. The FGRP shall be applied to quantities of gas tendered by Shipper. Shipper's total receipt-point nominations must include the amount of gas equal to the FGRP.

GENERAL TERMS AND CONDITIONS

Southern Trails shall post a revised FGRP five days in advance of the first of each month to be effective during the month. Southern Trails shall have the right to adjust the FGRP to reflect the actual quantity of gas used by Southern Trails so as not to create an imbalance on its system. The FGRP will include three components: (1) system gas consumption, (2) lost or gained and unaccounted-for quantities and (3) prior 12 months' ending March 31, variance adjustment that includes unamortized or over amortized quantities from the proceeding July 1, through June 30, 12-month amortization period.

(b) Calculation. The monthly FGRP will be calculated using the most recent available actual data and be equal to (i) plus (ii) plus (iii) of this section.

(i) Projected monthly lost and unaccounted-for component of the FGRP will equal (i)(1) divided by (i)(2):

(1) Projected transmission system losses or gains and unaccounted-for quantities will be calculated by subtracting the physical transmission deliveries for the month, two months previous to the projected month, including actual system gas consumed, from corresponding physical transmission receipts as adjusted for anticipated changes in system operations.

(2) Projected monthly scheduled transportation receipt quantities. Projected monthly scheduled transportation receipts will be based on the scheduled transmission receipt quantities for the month, two months previous to the projected month, as adjusted for anticipated changes in system operations.

(ii) Projected monthly system gas consumption. Projected transmission system gas consumption will be based on the actual fuel consumed at each compressor station, extraction plant or other fuel consuming facility for the month, two months previous to the projected month, as adjusted for anticipated changes in system operations divided by projected monthly scheduled transportation receipt quantities. Projected monthly scheduled transportation receipts will be based on the scheduled transmission receipt quantities for the month, two months previous to the projected month, as adjusted for anticipated changes in system operations.

(iii) Prior 12 months ending March 31 variance adjustment. The variance adjustment for each 12 months ending

Effective Date: 10/14/2008 Status: Effective  
FERC Docket: CP99-163-004

**First Revised Sheet No. 111** First Revised Sheet No. 111  
Superseding: Original Sheet No. 111

GENERAL TERMS AND CONDITIONS

March 31 shall be: the sum of the 12 months' actual monthly gas consumption and lost or gained and unaccounted-for quantities; less the sum of the month's FGRP quantity collected, as adjusted to exclude the variance-adjustment component of the FGRP plus the unamortized balance of the prior July 1 through June 30 amortization period; all divided by actual annual transportation receipt volumes for the 12 months ended March 31, as adjusted for anticipated changes in system operations. Monthly variances will be accumulated in the appropriate accounts. The variance adjustment component of the FGRP will be used to amortize the previous 12 months ended March 31 variance account balance over the 12-month period July 1 through June 30.

(c) Annual filing. Southern Trails will file an annual fuel reimbursement report on June 1 of each year that illustrates the application of its fuel reimbursement provision for the 12 months beginning April 1 of the previous year and establishes a variance adjustment to be effective during the 12-month period July 1 through June 30 based on the 12 months ended March 31, as provided in paragraph 30, (b)(iii). The fuel reimbursement report will show how the monthly fuel reimbursement percentages were calculated and illustrate how the monthly projected fuel percentages were reconciled with actual fuel usage for the 12 months ended each March 31st.

(d) The initial FGRP is 1.68 percent.

*Effective Date: 05/01/2005 Status: Effective*

*FERC Docket: RP05-264-000*

**Third Revised Sheet No. 112** Third Revised Sheet No. 112 : Effective

Superseding: Second Revised Sheet No. 112

GENERAL TERMS AND CONDITIONS

31. OFF-SYSTEM CAPACITY

From time to time, Southern Trails may enter into transportation and/or storage agreements with other interstate and intrastate pipeline and storage providers (off-system capacity). In the event that Southern Trails acquires off-system capacity, Southern Trails will use such capacity for operational reasons or to render service for its Shippers. In the event that Southern Trails uses off-system capacity to render service for its Shippers, it will only render service to Shippers on the acquired off-system capacity pursuant to Southern Trails' FERC Gas Tariff and subject to Southern Trails' approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this section, the "Shipper must have title" requirement is waived.

GENERAL TERMS AND CONDITIONS

32. DISCOUNTS

Types of Discounts. Southern Trails may agree, in writing, to allow a variety of discounts between its maximum and minimum rates under any rate schedule in its tariff without undue discrimination. Such discounts may be in addition to a base discount and will not be considered a material deviation from Southern Trails' forms of service agreements when Southern Trails and Shipper agree that a discount applies. Categories of eligible discounts are as follows:

1. Specified quantities under shipper's service agreement.
2. Quantities above or below a certain level or all quantities if quantities exceed a certain level.
3. A specified relationship to quantities actually transported or stored.
4. During specified periods of the year or over specifically defined periods of time.
5. Specific receipt points, delivery points, pooling areas, transportation routes, markets or other defined geographic areas, or for specific direction of gas flow.
6. Alternate receipt points under shipper's contract when shipper currently has a discount under the contract's primary receipt point.
7. Production reserves, gas supplies or markets committed by a shipper.
8. To achieve an agreed-upon, overall effective rate, with a provision for adjusting the rate components of discounted agreements, if needed, to preserve the agreed-upon overall effective rate, so long as all rate components remain within the applicable minimum and maximum rates specified in the tariff. This provision may apply when a FERC-mandated change in Southern Trails' Statement of Rates affects the current rate paid by shipper under a transportation service agreement. The parties may negotiate a rate that as nearly as possible preserves shipper's contractual rate, commencing with the approved Statement of Rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.
9. Quantities conditioned upon implementation and completion of a construction project or acquisition of facilities.

*Effective Date: 07/15/2004 Status: Effective*

*FERC Docket: RP04-329-001*

**Substitute Original Sheet No. 114** Substitute Original Sheet No. 114 : Effective

GENERAL TERMS AND CONDITIONS

33. APPLICABLE LAW

Any agreement executed pursuant to the terms and conditions of this tariff shall be interpreted according to the laws of the state of Utah without regard to choice of law rule.

*Effective Date: 07/15/2004 Status: Effective*

*FERC Docket: RP04-329-000*

**Sheet Nos. 115 - 118** Sheet Nos. 115 - 118 : Effective

GENERAL TERMS AND CONDITIONS

Sheet Nos. 115 - 118 have been reserved for future use.

Effective Date: 06/01/2002 Status: Effective  
FERC Docket: RP02-318-001

**Original Sheet No. 119** Original Sheet No. 119 : Effective

GENERAL TERMS AND CONDITIONS

Shipper Inquiry Form

Name of inquirer

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Identification of contract under question

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Designation of time period involved

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Nature of inquiry or complaint

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Signature \_\_\_\_\_  
Title \_\_\_\_\_

Effective Date: 10/14/2008 Status: Effective  
FERC Docket: CP99-163-004

**First Revised Sheet No. 120** First Revised Sheet No. 120  
Superseding: Original Sheet No. 120

Contract No. \_\_\_\_\_

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT  
Rate Schedule FT

1. Shipper's Name and Address:

2. Shipper's Status:

\_\_\_\_\_ Local distribution company (LDC)  
\_\_\_\_\_ intrastate pipeline company  
\_\_\_\_\_ interstate pipeline company  
\_\_\_\_\_ marketer  
\_\_\_\_\_ end use customer  
\_\_\_\_\_ other

3. Transportation on Behalf of:

\_\_\_\_\_ LDC  
\_\_\_\_\_ intrastate pipeline company  
\_\_\_\_\_ interstate pipeline company  
\_\_\_\_\_ Shipper

4. Transportation Authority:

\_\_\_\_\_ 18 C.F.R. § 284 Subpart B (NGPA § 311)  
\_\_\_\_\_ 18 C.F.R. § 284 Subpart G

5. Rate Schedule FT RDC:

\_\_\_\_\_ Dth/day

6. Primary Receipt Points

MAP No.	Capacity
_____	_____
_____	_____

7. Primary Delivery Points

MAP No.	Capacity
_____	_____
_____	_____

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-000

**First Revised Sheet No. 121** First Revised Sheet No. 121  
Superseding: Original Sheet No. 121

8. Rates:

Reservation Charges:

Primary Points

Rec. Location	Del. Location	Type of Charge	Rate \$/Dth/d
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Alternate Points

Rec. Location	Del. Location	Type of Charge	Rate \$/Dth/d
---------------	---------------	----------------	------------------

Usage Charges:

\_\_\_\_\_ The maximum rate in Southern Trails' Statement of Rates  
\_\_\_\_\_ See Additional Terms

Volumetric Rate:

Rec. Location	Del. Location	Type of Charge	Rate \$/Dth/d
---------------	---------------	----------------	------------------

9. Other Charges:

\_\_\_\_\_ ACA  
\_\_\_\_\_ Fuel Reimbursement

10. Additional Facilities Charges:

\_\_\_\_\_ None  
\_\_\_\_\_ Lump sum payment of \_\_\_\_\_  
\_\_\_\_\_ Monthly fee of \_\_\_\_\_  
\_\_\_\_\_ See Additional Terms

11. Term of Service:

12. Renewal Term:

\_\_\_\_\_ None  
\_\_\_\_\_ Month to month  
\_\_\_\_\_ Other:

13. Additional Terms and Conditions:

This Agreement includes all the terms and conditions of Southern Trails' FERC Gas Tariff, Original Volume No. 1 and the terms, conditions and signatures of Shipper's Questline Access Agreement with Southern Trails.

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-000

**Second Revised Sheet No. 122** Second Revised Sheet No. 122  
Superseding: First Revised Sheet No. 122

Contract No. \_\_\_\_\_

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT  
Rate Schedule IT

1. Shipper's Name and Address:

2. Shipper's Status:

\_\_\_\_\_ Local distribution company (LDC)  
\_\_\_\_\_ intrastate pipeline company  
\_\_\_\_\_ interstate pipeline company  
\_\_\_\_\_ marketer  
\_\_\_\_\_ end use customer  
\_\_\_\_\_ other

3. Transportation on Behalf of:

\_\_\_\_\_ LDC  
\_\_\_\_\_ intrastate pipeline company  
\_\_\_\_\_ interstate pipeline company  
\_\_\_\_\_ Shipper

4. Transportation Authority:

\_\_\_\_\_ 18 C.F.R. § 284 Subpart B (NGPA § 311)  
\_\_\_\_\_ 18 C.F.R. § 284 Subpart G

5. Rate Schedule IT Transportation Quantity:

\_\_\_\_\_ Dth/day

6. Rates:

Usage Charges:

\_\_\_\_\_ See Additional Terms

Receipt Pt. MAP No.	Delivery Pt. MAP No.	Type of Charge	Usage Rate \$/Dth
_____	_____	_____	_____

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-000

**First Revised Sheet No. 123** First Revised Sheet No. 123  
Superseding: Original Sheet No. 123

Contract No. \_\_\_\_\_

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT  
Rate Schedule IT

- 7. Other Charges:
  - \_\_\_\_\_ ACA
  - \_\_\_\_\_ Fuel Reimbursement
  
- 8. Additional Facilities Charges:
  - \_\_\_\_\_ None
  - \_\_\_\_\_ Lump sum payment of \_\_\_\_\_
  - \_\_\_\_\_ Monthly fee of \_\_\_\_\_
  - \_\_\_\_\_ See Additional Terms
  
- 9. Term of Service:
  
- 10. Renewal Term:
  - \_\_\_\_\_ None
  - \_\_\_\_\_ Month to month
  - \_\_\_\_\_ Other:
  
- 11. Additional Terms and Conditions:

This Agreement includes all the terms and conditions of Southern Trails' FERC Gas Tariff, Original Volume No. 1 and the terms, conditions and signatures of Shipper's Questline Access Agreement with Southern Trails.

Effective Date: 10/14/2008 Status: Effective  
FERC Docket: CP99-163-004

**First Revised Sheet No. 124** First Revised Sheet No. 124  
Superseding: Original Sheet No. 124

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

FIRM TRANSPORTATION SERVICE AMENDMENT FORM  
Rate Schedule FT

Amended Terms

1. SHIPPER'S NAME AND ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
2. RATE SCHEDULE FT RESERVED DAILY CAPACITY:  
\_\_\_\_\_ Dth/day
  
3. TERM OF AGREEMENT:  
\_\_\_\_\_ to \_\_\_\_\_
  
4. RENEWAL TERM:  
\_\_\_\_\_ None  
\_\_\_\_\_ Month to month  
\_\_\_\_\_ Other: \_\_\_\_\_
  
5. PRIMARY RECEIPT POINTS:  
\_\_\_\_\_ Add  
\_\_\_\_\_ Permanently Release  
  
Meter No.                      Capacity  
  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
6. PRIMARY DELIVERY POINTS:  
\_\_\_\_\_ Add  
\_\_\_\_\_ Permanently Release  
  
Meter No.                      Capacity  
  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-000

**Second Revised Sheet No. 125** Second Revised Sheet No. 125  
Superseding: First Revised Sheet No. 125

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

FIRM TRANSPORTATION SERVICE AMENDMENT FORM  
Rate Schedule FT

7. RATES:  
Reservation Charges:

Primary Points

Rec. Location	Del. Location	Type of Charge	Rate \$/Dth/d
---------------	---------------	----------------	------------------

Alternate Points

Rec. Location	Del. Location	Type of Charge	Rate \$/Dth/d
---------------	---------------	----------------	------------------

Usage Charges:  
\_\_\_\_\_ The maximum rate in Southern Trails' Statement of Rates  
\_\_\_\_\_ See Additional Terms

Volumetric Rate:

Rec. Location	Del. Location	Type of Charge	Rate \$/Dth/d
---------------	---------------	----------------	------------------

8. EFFECTIVE DATE OF CHANGES:  
\_\_\_\_\_

9. ADDITIONAL TERMS AND CONDITIONS:

This Agreement includes all the terms and conditions of Southern Trails' FERC Gas Tariff, Original Volume No. 1 and the terms, conditions and signatures of Shipper's Questline Access Agreement with Southern Trails.

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-000

**Second Revised Sheet No. 126** Second Revised Sheet No. 126  
Superseding: First Revised Sheet No. 126

Contract No. \_\_\_\_\_  
Amendment No. \_\_\_\_\_

INTERRUPTIBLE TRANSPORTATION AMENDMENT FORM  
Rate Schedule IT  
Amended Terms

1. SHIPPER'S NAME AND ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. QUANTITY TO BE TRANSPORTED:  
\_\_\_\_\_ Dth/day

3. TERM OF AGREEMENT:  
\_\_\_\_\_ to \_\_\_\_\_

4. RENEWAL TERM:  
\_\_\_\_\_ None  
\_\_\_\_\_ Month to month  
\_\_\_\_\_ Other: \_\_\_\_\_

5. USAGE CHARGE:  
\_\_\_\_\_ See Additional Terms

Receipt Pt. MAP No.	Delivery Pt. MAP No.	Type of Charge	Usage Rate \$/Dth
_____	_____	_____	_____

6. EFFECTIVE DATE OF CHANGES:  
\_\_\_\_\_

7. ADDITIONAL TERMS AND CONDITIONS:

This Agreement includes all the terms and conditions of Southern Trails' FERC Gas Tariff, Original Volume No. 1 and the terms, conditions and signatures of Shipper's Questline Access Agreement with Southern Trails.

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-000

**First Revised Sheet No. 127** First Revised Sheet No. 127  
Superseding: Original Sheet No. 127

QUESTLINE ACCESS AGREEMENT

THIS QUESTLINE ACCESS AGREEMENT (Agreement) is entered into the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Questar Southern Trails Pipeline Company (Southern Trails), a Utah corporation with offices at 180 East 100 South, Salt Lake City, Utah 84111, and \_\_\_\_\_ (Shipper) a \_\_\_\_\_ with offices at \_\_\_\_\_. Southern Trails and Shipper may be referred to collectively as the Parties and singularly as a Party

THE PARTIES AGREE AS FOLLOWS:

1. Southern Trails has developed proprietary computer software programs and their contents known as Questline (Questline) that facilitate interactive electronic contracting, capacity release, capacity allocation, nominations, confirmations, imbalance trading, billing, notifications, and reporting on Southern Trails' natural gas transmission pipeline system (Transmission System).

2. Shipper requests remote access to certain portions of Questline and its contents in order to transact business on Southern Trails' Transmission System. By accessing Questline, Shipper, including its employees and agents, agrees to be bound by all of the terms and conditions of this Agreement, including Southern Trails' Gas Tariff currently on file with the Federal Regulatory Energy Commission (Tariff), which is deemed incorporated into this Agreement by this reference. All access to and use of Questline and its contents shall be governed by this Agreement, including Southern Trails' Tariff.

3. Subject to compliance with the terms and conditions of this Agreement, Southern Trails grants to Shipper, and Shipper accepts from Southern Trails, a limited, non-exclusive, nontransferable license, during the term of this Agreement, restricted to named users to access designated portions of Questline and its contents solely for Shipper's own internal transportation and storage business transactions on Southern Trails' Transmission System. Southern Trails reserves the right to determine what portion of Questline shall be made available to Shipper. Shipper's use of Questline may be monitored and recorded. Unusual activity that may indicate a compromised computer or account may result in immediate account termination and further detailed investigation.

4. Shipper shall not sublicense, sell, transfer, publish, disclose, display, or otherwise make available any part of Questline or its contents to any third party. Shipper shall not reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code or make derivative works arising out of, related to, or in connection with Questline.

5. Shipper shall not delete, remove, modify, or obscure any copyright, trademark, trade name, or other proprietary notices displayed on Questline, and shall not allow any third party to take any such action.

QUESTLINE ACCESS AGREEMENT  
(Continued)

6. Southern Trails or its third party licensors solely and exclusively own all right, title, and interest in and to Questline and its contents, including all patents, copyrights, trade secrets, trademarks, and other intellectual property therein.

7. Shipper expressly acknowledges that by accessing Questline it shall be made aware of proprietary and confidential property of Southern Trails, its affiliates, or its licensors, including without limitation customers, services, products, processes, operations, the location of pipeline facilities, present and contemplated activities, as well as logon, password, or other controlled access information (collectively Confidential Information). Shipper shall protect the Confidential Information with at least the same degree of care it uses to protect its own confidential information, but not less than a reasonable degree of care. Shipper shall use the Confidential Information only for the purposes stated in this Agreement. Shipper shall not disclose the Confidential Information to any third party, except on a confidential basis to its employees or agents whose access is required to carry out the purposes of this Agreement, who have been advised of the confidential nature of the information, and who are each bound by an obligation of confidentiality, enforceable by Shipper, to protect the Confidential Information. The confidentiality obligations of this paragraph shall not apply to any information that is:

- a. generally available to the public through no act of Shipper;
- b. independently developed by Shipper without use of or reference to the Confidential Information;
- c. lawfully received from a third party without breach of this Agreement; or
- d. disclosed pursuant to law, judicial order, or government regulation so long as Shipper promptly notifies Southern Trails prior to disclosure to provide Southern Trails with time to take actions necessary to protect its interests.

This paragraph shall survive termination of this Agreement.

8. Shipper shall ensure that its employees and agents shall only use the logon, password, and other controlled access to which they have been assigned in connection with Questline and its contents. Upon termination of any employee or agent, or their need for access to Questline, Shipper shall immediately notify Southern Trails in writing and discontinue use of that logon and password.

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-000

**First Revised Sheet No. 129** First Revised Sheet No. 129  
Superseding: Original Sheet No. 129

QUESTLINE ACCESS AGREEMENT  
(Continued)

9. Shipper shall immediately inform Southern Trails by telephone at the telephone numbers identified on its Website ([www.questarpipeline.com](http://www.questarpipeline.com)) if Shipper learns of any apparent breach of security, such as loss, theft, or unauthorized disclosure, use, or possession of the Confidential Information, including without limitation Shipper's logon, password, or other controlled access information. Shipper shall be fully responsible for any unauthorized disclosure of Questline's Confidential Information by its employees and agents. Shipper shall fully cooperate with Southern Trails in pursuing all remedies available to Southern Trails against unauthorized use.

10. Shipper may adjust the number of licensed users, delete licensed users, or designate other licensed users pursuant to a written Request for User Access to Questline, in the form attached as Exhibit A, incorporated into this Agreement by reference, issued by Shipper and submitted to Southern Trails.

11. Once Shipper has executed and returned this Agreement, Southern Trails shall provide Shipper with logon, password, or other controlled access information. However, before Shipper shall be allowed to transact business on Questline, Shipper must comply with Southern Trails' creditworthiness requirements set out in Southern Trails' Tariff. Shipper shall be fully responsible and liable for all transactions conducted on Questline using Shipper's logon, password, or other controlled access information.

12. If Shipper desires to participate in imbalance trading procedures on Questline, Shipper specifically consents to Southern Trails posting on Questline the information regarding Shipper's imbalances outlined in Southern Trails' Tariff.

13. Subject to the restrictions on use and disclosure set forth in this Agreement, Shipper may print and make a reasonable number of copies of the contents on Questline solely for Shipper's internal use in transacting business on Questline. Shipper shall reproduce and include copyright, other proprietary right, or confidential notices on and in all copies. Upon termination of this Agreement, Shipper shall destroy all documents that it possesses containing any Confidential Information of Southern Trails in whatever medium those documents exist and shall not retain any copies of such documents.

14. Shipper shall be responsible for supplying all hardware and other equipment in order to access Questline.

15. ACCESS TO AND USE OF QUESTLINE AND ITS CONTENTS ARE PROVIDED "AS IS" WITHOUT REPRESENTATION, WARRANTY, OR INDEMNITY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERFERENCE, OR SYSTEM

QUESTLINE ACCESS AGREEMENT  
(Continued)

INTEGRATION. SHIPPER ASSUMES ALL RISK AS TO THE ACCURACY, COMPLETENESS, SECURITY, AVAILABILITY, QUALITY, AND PERFORMANCE OF QUESTLINE AND ITS CONTENTS, INCLUDING ALL LIABILITY ARISING FROM ACCESS TO QUESTLINE BY THIRD PARTIES THROUGH SHIPPER. This paragraph shall survive termination of this Agreement.

16. NIETHER SOUTHERN TRAILS NOR ANY OF ITS PARENT COMPANY(S), AFFILIATES, OR SUBSIDIARIES, OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS, SHALL BE LIABLE TO SHIPPER OR ANY OTHER PERSON OR ENTITY FOR ANY LOSS OR DAMAGES OF ANY KIND ARISING OUT OF, RELATED TO, OR IN CONNECTION WITH SHIPPER'S USE, INABILITY TO USE, OR RELIANCE ON QUESTLINE OR ITS CONTENTS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGES ARE FORESEEABLE AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR TORT, EXCEPT SOUTHERN TRAILS MAY BE HELD LIABLE TO SHIPPER FOR SHIPPER'S DIRECT DAMAGES FROM THE USE OF QUESTLINE TO THE EXTENT SUCH DAMAGES ARE CAUSED BY THE NEGLIGENCE OF SOUTHERN TRAILS IN ITS OPERATION OF QUESTLINE AND ARE NOT OTHERWISE AVOIDABLE BY SHIPPER. IN ADDITION, SOUTHERN TRAILS MAY BE LIABLE FOR INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES TO THE EXTENT SUCH DAMAGES ARE CAUSED BY SOUTHERN TRAILS'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OPERATING QUESTLINE AND ARE NOT AVOIDABLE BY SHIPPER. This paragraph shall survive termination of this Agreement.

17. (a) This Agreement shall commence on the date first written above and remain in full force and effect until terminated:

- (i) by either Party for its convenience upon one day's written notice to the other Party;
- (ii) immediately by Southern Trails for Shipper's breach of this Agreement; or
- (iii) by Southern Trails according to the procedures set forth in Section 2.7 of the General Terms and Conditions of Part 1 of Southern Trails' Tariff.

(b) Upon termination of this Agreement, Shipper shall immediately discontinue access to and all use of Questline and its contents. Shipper shall also destroy any documents, in whatever medium those documents exist, that contain any Confidential Information of Southern Trails, including without limitation logon, password, or other controlled access information, and shall not retain any copies of such documents.

18. All notices concerning this Agreement, other than the day-to-day communications between the Parties, shall be in writing and shall be sent to the relevant address set forth below. The Parties may designate other addressees or addresses by notice to the other Party. A notice shall be deemed effective (a) when given by hand delivery; (b) three days after deposit into the U.S. mail, postage prepaid; or (c) one business day after deposit with commercial overnight delivery service, charges prepaid.

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-003

**Substitute Original Sheet No. 131** Substitute Original Sheet No. 131  
Superseding: Original Sheet No. 131

QUESTLINE ACCESS AGREEMENT  
(Continued)

18. All notices concerning this Agreement, other than the day-to-day communications between the Parties, shall be in writing and shall be sent to the relevant address set forth below. The Parties may designate other addressees or addresses by notice to the other Party. A notice shall be deemed effective (a) when given by hand delivery; (b) three days after deposit into the U.S. mail, postage prepaid; or (c) one business day after deposit with commercial overnight delivery service, charges prepaid.

Questar Pipeline Company		
Attn: General Manager, Marketing and	— Attn:	—
Business Development, Mailstop QB501		—
180 East 100 South (841111)		—
P. O. Box 45360		—
Salt Lake City, UT 84145-0360		—

19. This Agreement shall be governed by and construed in accordance with the laws of Utah, excluding any choice of law provisions that would otherwise require application of laws of any other jurisdiction. In the event it becomes necessary for either Party to enforce its rights under this Agreement, then with or without litigation, the prevailing Party shall be entitled to recover all reasonable expenses, including attorney fees and costs, arising out of the enforcement of its rights.

20. The failure of a Party to require the performance of a term or obligation under this Agreement, or the waiver by a Party of any breach, shall not prevent subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach under this Agreement. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the Party against whom charged.

21. Shipper shall not, in whole or in part, assign its rights or delegate its obligations under this Agreement without the prior written consent of Southern Trails, and any attempt to do so without consent shall be void. This Agreement shall be binding upon and inure to the benefit of the Parties' permitted successors and assigns.

22. If any provision or part of a provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision, but this Agreement shall be construed as if it did not contain such provision. Each provision shall be deemed enforceable to the fullest extent available under applicable law.

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-003

**Substitute Original Sheet No. 132** Substitute Original Sheet No. 132  
Superseding: Original Sheet No. 132

QUESTLINE ACCESS AGREEMENT  
(Continued)

23. This Agreement, together with expressly incorporated documents, contains the entire agreement between the Parties concerning the subject matter, and it replaces and supersedes any and all prior or contemporaneous, oral or written, agreements, understandings, communications, and representations between the Parties. Any terms or conditions contained in any confirmation, statement, or other ordering document that differ or vary the terms of this Agreement are null and void and shall have no effect between the Parties. This Agreement may not be amended except in writing signed by both Parties.

24. Each person signing this Agreement warrants that the person has full legal capacity, power, and authority to execute this Agreement for and on behalf of the respective Party and to bind such Party.

INTENDING TO BE LEGALLY BOUND, the Parties have executed this Agreement effective as of the date first written above.

(Shipper)

QUESTAR SOUTHERN TRAILS  
PIPELINE COMPANY

By:  
Name:  
Title:

By:  
Name:  
Title:

—  
—  
—

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1028-000

Original Sheet No. 133 Original Sheet No. 133

QUESTLINE ACCESS AGREEMENT  
(Continued)

EXHIBIT A

REQUEST FOR USER ACCESS TO QUESTLINE

This Request for User Access to Questline (User Agreement) is part of and subject to the Questline Access Agreement (Agreement) between Questar Southern Trails Pipeline Company (Southern Trails) and the entity identified in the signature block below (Shipper).

Pursuant to this User Agreement, Shipper requests Southern Trails to provide or terminate access for the employee(s) or agent(s) designated by Shipper below and for the portions specified below on Southern Trails' proprietary computer software programs and their contents known as Questline in order to transact transportation and storage business on behalf of Shipper on Southern Trails' natural gas transmission pipeline system.

1. User Name: \_\_\_\_\_  
FIRST and LAST NAME (Please print) Telephone \_\_\_\_\_

Check all that apply:  
Request Type

Transaction Services Profile

Add user  
 Delete user  
 Change user profile

Contracting  
 Nominations  
    Balancing  
    Imbalance Trade Administration  
    Confirmations  
 On-line Invoicing  
 Critical Notices  
 Non-Critical Notices  
 Capacity Release

2. User Name: \_\_\_\_\_  
FIRST and LAST NAME (Please print) Telephone \_\_\_\_\_

Check all that apply:  
Request Type

Transaction Services Profile

Add user  
 Delete user  
 Change user profile

Contracting  
 Nominations  
    Balancing  
    Imbalance Trade Administration  
    Confirmations  
 On-line Invoicing  
 Critical Notices  
 Non-Critical Notices  
 Capacity Release

INTENDING TO BE LEGALLY BOUND, Shipper has caused this User Agreement to be executed by its authorized representative effective as of the date written below

Shipper: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Instructions:

If you have any questions, please contact Southern Trails at 801-324-5280 or 801-324-2963. Shipper may designate additional users and changes by printing and completing additional forms. Submit the completed, executed User Agreement to Questar Pipeline Company, Transportation Customer Service Department, Mailstop QB501, P.O. Box 45360, Salt Lake City, Utah 84145-0360. This User Agreement is subject to acceptance by Southern Trails.



